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**HISTORY OF THE CIVIL WAR MILITARY  
PENSIONS, 1861-1885**

**BY**

**JOHN WILLIAM OLIVER**

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## CHAPTER I

### THE CIVIL WAR DECADE

Prior to the outbreak of the Civil War in 1861 the subject of military and naval pensions had attracted no unusual attention in this country. The national Government had quite early recognized the justice of a pension system, and had wisely provided for the invalids, widows, and orphans made dependent by the earlier wars. By general or special legislation, pensions were being paid to those affected by the Revolutionary War, the War of 1812, the Indian wars, and the War with Mexico. At the close of the year in 1860, there were 11,284 names borne upon the pension rolls, and it required but slightly over a million dollars a year for their payment. Since the organization of the Government, down to 1861, the grand total paid out for pensions had amounted to approximately \$89,000.00.<sup>1</sup>

Under ordinary conditions the country would have witnessed a gradual decrease, both in the number of pensions admitted to the roll, and in the amount required to pay their claims. In his annual report for 1860, the Commissioner of Pensions announced that the clerical force of his Office, which consisted of 71 clerks, could now be reduced, and suggested to the Secretary of Interior that a portion of them be given employment elsewhere. The belief was, that the pension system would henceforth gradually decrease in importance. Attention was called to the fact that the pensioners of the Revolution were rapidly passing away, "and in a brief period would live only in the memory of a grateful country."<sup>2</sup>

But with the outbreak of the Civil War the whole pension system had to be reorganized. A volunteer army of a half million men was to be put in the field before the close of another year. Never before had such an experiment been undertaken, and our democratic government was put to a test, the like of which few nations have had to meet. With-

<sup>1</sup> *Annual Rep't: Commissioner of Pensions, 1860. Sen. Doc. 36th Cong. 2nd sess. vol. 1, p. 469.*

<sup>2</sup> *Ibid. p. 467.*

out a creditable standing army, and lacking the power to compel men to enter upon military service, our Government had to resort to the policy of persuasion. The most natural as well as the most effective step that could be taken was that of guaranteeing to those men who entered the service voluntarily, the same benefits, if wounded or disabled, that were granted to the members of the regular army.

This was done by an act of Congress passed on July 22, 1861. After authorizing the President to accept the services of volunteers, not exceeding five hundred thousand, the following guarantee was inserted. Any volunteer who should be wounded or disabled while in the service, "shall be entitled to the same benefits which have been or may be conferred on persons disabled in the regular service, and the widow, if there be one, and if not, the legal heirs of such as die, or may be killed in service, in addition to all arrears of pay and allowances, shall receive the sum of one hundred dollars."<sup>3</sup> No discussion whatever attended this provision when it was introduced, and the readiness with which it was accepted, illustrates the attitude of Congress toward offering inducements for volunteering. This act marks the beginning of the Civil War pension legislation. Within the next half century our country was to witness the enactment and operation of a series of pension laws, the liberality and expense of which have no parallel in the history of any nation.

The act of July 22, 1861, was soon found to be inadequate. The summer campaign for that year resulted in rather heavy losses for the Union side, and in the fall of 1861 Commissioner Barrett stated that applications of soldiers disabled in the existing war, and on behalf of the widows and children of those who had died in the service, were coming in rapidly for adjudication. A large number of claims had already been admitted. But the uncertainty of pension rates that should be allowed in each case, and the apparent discrepancies in the laws under which the Pension Bureau was working, led the Commissioner to recommend that further and more explicit legislation be speedily enacted by Congress.<sup>4</sup>

<sup>3</sup> *U. S. Statutes at Large*. vol. 13, p. 270.

<sup>4</sup> *Annual Rep't: Commissioner of Pensions*, 1861. *Sen. Doc.* 37th Cong. 2nd sess. vol. 1, p. 836.

This demand became all the more imperative because of the disturbed condition of the pension system in the southern states. Shortly after hostilities began in the spring of 1861 Commissioner Barrett ordered the payment of pensions to be suspended at all the different agencies located in those states then in rebellion. And by an act passed on February 4, 1862, the Secretary of Interior was directed to strike from the pension rolls the names of all such persons who had taken up arms against the United States Government, or who had "in any manner encouraged the rebels or manifested a sympathy with their cause."<sup>5</sup> Thereafter, when money was appropriated for the payment of pensions, a provision was always inserted to the effect that no part of it was to be paid to disloyal persons. During the first year of the war, over two thousand pensioners living in the southern states were dropped from the rolls. After the Union forces regained control of certain points in these states, the pension agencies were reëstablished, and provision was made for paying those who were justly entitled to a pension. In order to have their names restored to the rolls, persons had to prove by act and sympathy, their continued loyalty to the Union. At the close of the year 1865, agencies had been reopened in Virginia, Tennessee, Arkansas, and Louisiana. Each successive year saw new agencies opened at other points throughout the South, and finally by 1872 the pension system was again in operation in every southern state.

To meet the situation in 1861, Congress decided to act upon the Commissioner's recommendation. The first step taken was to ascertain exactly what laws were then in operation governing the payment of pensions. Neither the Commissioner of Pensions nor the Secretary of Interior was able to furnish the information desired; but the latter called upon Attorney-General Bates for an interpretation of certain acts then found on the statute books. He was first asked to place a construction upon the act of July 22, 1861, and in addition give an opinion upon the following points:

1. Were the volunteers then enlisted entitled to a pension, under provisions of the acts of January 29, and August 2, 1813, in case they should become wounded or disabled?

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<sup>5</sup> *U. S. Statutes at Large*. vol. 13, p. 337.

2. Did the act of July 4, 1836, guarantee pensions to the widows and orphans of volunteers who should die while in the service or from wounds received?
3. Did the act of July 22, 1861, entitle the widows of those soldiers killed in service, to a pension in addition to the bounty provided for them?
4. Were there any provisions allowing pensions to those volunteers who responded to the President's call of April 15, 1861, in case they were disabled while serving in the line of duty?<sup>a</sup>

After making an examination of the statutes in question, Attorney-General Bates submitted his opinion. The first three questions he answered in the negative. As to the fourth, he held that "any militiaman" called into the service of the United States by the President's proclamation of April 15, 1861, and disabled by wounds received while in that service, was entitled to a pension under the provisions of the act of August 2, 1813. But in concluding his opinion, Mr. Bates called attention to the uncertainty and obscurity of the many pension laws found upon the statute books. In numerous cases, the exact intent of the acts could not be determined. He therefore earnestly recommended "that the attention of Congress be called to the propriety of enacting laws which may be easily understood, and which may comprehend all that the emergency requires."<sup>7</sup>

The recommendation was soon acted upon. Within three weeks, the House called upon the Attorney-General for a copy of his opinion, and began to consider legislation designed to meet the needs that he had pointed out.<sup>8</sup> On April 30, Mr. Goodwin, of the Committee on Invalid Pensions, reported a bill granting pensions to the officers and soldiers of the army, and the widows and children of those who had died in the service.<sup>9</sup> It was called up in the House two days later, and was supported by the Committee on Invalid Pensions, the Commissioner of Pensions, and endorsed by the Secretary of Interior. Its chief spokesman, Mr. Goodwin of Maine, explained the provisions of the bill,

<sup>a</sup> *House Exec. Doc.* 37th Cong. 2nd sess. No. 98, pp. 2-4.

<sup>7</sup> *Ibid.* p. 5.

<sup>8</sup> *Cong. Globe.* 37th Cong. 2nd sess. p. 1480.

<sup>9</sup> *Ibid.* p. 1886.

and asked for its immediate passage. Although encountering but slight opposition, it brought forth considerable debate. The chief discussion centered about the first section, that of providing a higher pension rate for officers than for privates. There was a feeling, shared in by several members of Congress, that in an army made up of citizen soldiers rather than mercenaries, it would be an unjust discrimination to pension an officer at a higher rate than a private. The theory was advanced that in a volunteer army, the men who fought in the ranks were the equal in intellect and ability to those placed in command, that they suffered the same dangers, endured the same hardships, and hence should share equally in receiving the nation's bounty.

While this view was held by several congressmen, a majority nevertheless felt that some discrimination should be made in favor of the ranking officers and commissioned men. Their duties were greater than those of a private, and it was pointed out that many of them had spent some years in the study of military tactics and discipline. From the standpoint of justice, therefore, a discrimination was made in their behalf.<sup>10</sup> After having been amended in a few particulars, the bill passed the House on May 13, 1862.

In the Senate it met no opposition whatever. Only one important change was made. In the House, a five dollar fee had been agreed upon as the proper amount that a pension agent should charge in making application for arrears of pensions. The Senate felt that the terms should be left to the mutual agreement of the agent and the pensioner, and so the above provision was stricken out.<sup>11</sup> But the House refused to accept this amendment, and due to the opposition of Mr. Holman of Indiana it was rejected in a conference of the joint committees. On July 14, 1862, President Lincoln signed the bill and it became a law.<sup>12</sup>

The act of 1862 marks a new chapter in the history of the pension system. As characterized by the Commissioner of Pensions in his annual report for that year, "it is by far the most liberal pension law ever enacted by this government." Secretary of Interior J. P. Usher pronounced it the wisest

<sup>10</sup> *Ibid.* pp. 2101-2106.

<sup>11</sup> *Ibid.* p. 3138.

<sup>12</sup> *U. S. Statutes at Large.* vol. 12, pp. 566-569.

and most munificent enactment of the kind ever adopted by any nation.<sup>13</sup> Its provisions extended back to March 4, 1861, and included every branch of the military and naval service of the United States. Officers, commissioned and noncommissioned, privates, regulars, volunteers, militiamen, musicians, seamen, marines, clerks, pilots, or other persons in the navy or marine corps, were all embraced in its provisions. Wounds received or disease contracted by any of the persons enumerated, while in the service or line of duty, entitled them to a pension. The rates to be paid varied according to the position or rank held by the claimant, ranging from thirty dollars per month for captains, down to eight dollars per month for privates.

In case of death of those entitled to a pension, the widow of such a person—or if there was no widow—the children, were entitled to receive the same pension which the husband or father would have received in case of total disability. The pension was to date from the death of the husband or father, “and to continue to the widow during her widowhood, or to the child or children until they severally attained the age of sixteen years, and no longer.”<sup>14</sup>

The next section, according to Commissioner Barrett, provided for two classes of pensioners, hitherto unknown in our pension legislation, namely, mothers and orphan sisters, dependent upon a deceased officer or soldier for support. They were to receive the same pension as the officer or soldier would have been entitled to, had they been totally disabled. Neither the mother nor sister, however, could receive but one pension at a time. The mother’s right to a pension terminated in case she remarried, and the sister’s right ceased upon reaching the age of sixteen years. Strict prohibition was also placed upon widows, children, or heirs who had in any way aided the rebellion.

All pensions provided for by the act of 1862 were to commence from the day of discharge, provided the application was filed within one year. In the case of widows, dependent mothers, and sisters, the pension was to date from the death of the soldier or officer on whose account it had been granted. Should the application for a pension not be filed within one

<sup>13</sup> *House Exec. Doc.* 38th Cong. 2nd sess. 1864–1865. vol. 5, p. 11.

<sup>14</sup> Sec. 2 of Act.

year, the pension, if granted, was to commence from the day upon which it was filed. As will be pointed out in a later chapter, the action of Congress in placing a limitation upon the time within which applications must be filed, led to an endless controversy on the part of the Pension Bureau and the claimants. It finally resulted in the passage of the Ar-rears Act of 1879.

Concerning the administrative side of the act, there were several important provisions. The fees which pension agents and attorneys were to receive for their services in aiding a claimant to secure a pension had caused considerable discussion during the passage of the bill. The claim agents had shown unusual interest in the provisions of the act. While it was pending in the House, Mr. Dawes of Massachusetts described them as crowding into Washington from all quarters, "and establishing themselves in every street and byway."<sup>15</sup> They apparently felt that they could induce Congress to omit any provision fixing the fee that should be charged, and thereby leave the way open for them to collect what they could. The Senate was favorable to this idea, but the House felt that it would offer too great a temptation to unscrupulous attorneys and that they would take undue advantage of the pensioners. So a fixed rate of five dollars was inserted in the bill. Where additional testimony and affidavit were required by the Commissioner of Pensions, the attorneys could charge one dollar and fifty cents extra for filing the same. Any agent or attorney who should demand or receive a fee in excess of the amount stipulated, was liable to a \$300 fine or imprisonment for two years, or both. The Commissioner of Pensions was authorized to appoint civil surgeons to make biennial examinations of the pensioners, and to make a special examination of applicants when the Commissioner deemed it necessary. Heretofore these officials had received their commissions from the local judges of the courts, and were not responsible to the head of the Pension Bureau. After 1862 they were appointed directly by him, or the medical referee of the Bureau, and became officials of that department. The fee for each examination was fixed at one dollar and fifty cents, payable by the person examined.

<sup>15</sup> *Cong. Globe*. 37th Cong. 2nd sess. p. 3214.



Provision was also made for the appointment of a special agent to assist in detecting and prosecuting persons found guilty of committing frauds against the pension laws. This was a new experiment undertaken by the Bureau. Prior to this time, the Commissioner of Pensions had simply delegated certain of the clerks in the Office to go out from time to time and investigate suspected fraudulent claims. It was now felt that a special agent should be kept in the field who should give his entire time to hunting down suspicious cases. This provision of the act, however, never proved satisfactory, and two years later was repealed.

The last section of the act repealed all laws inconsistent with its provisions.<sup>16</sup>

The act of 1862 found practically every member of Congress anxious to provide for the soldiers of the army and navy, and those dependent upon them. Not only were they in sympathy with the principle of the act, but a few of them, even at this early date, began to take advantage of the political power that lay in the hands of the soldiers' vote. Mr. Holman of Indiana was perhaps the most active in this respect. He was always on the floor when the bill was under discussion, and time and again praised the five thousand men from his own constituency "who gave up the charmed circle of their homes to maintain the old flag of the Union."<sup>17</sup> He wanted to see the privates and officers placed on the same level, so far as pension rates were concerned. And in a frantic plea to the House, he urged that no discrimination be made in behalf of those men who, by chance "held commissions or wore the epaulets." His whole attitude was characterized by Mr. McKnight of Pennsylvania, as that of a Congressman who was attempting to gain glory at home by making appeals in behalf of poor soldiers, "in the shape of Buncombe speeches." Mr. McKnight added that he had no doubt but that such speeches would read well among his constituents at home, but for himself, he refused to be put in such a category, and then proceeded to discourage such practices on the part of his fellow-congressmen.<sup>18</sup>

The act went into operation at once, and the wounded and

<sup>16</sup> *U. S. Statutes at Large*. vol. 12, pp. 566-569.

<sup>17</sup> *Cong. Globe*. 37th Cong. 2nd sess. pp. 2102-2104.

<sup>18</sup> *Ibid.* pp. 2102-2103.

disabled soldiers soon took advantage of its liberal provisions. Within four months following its enactment, a total of 10,804 pension applications had been filed in accordance with its provisions.<sup>19</sup> Commissioner Barrett had anticipated a great rush upon the Bureau, and had outlined in detail the exact steps to be taken by those seeking a pension. Full instructions were given as to how they should procure the necessary evidence, from whom it should be presented, time, place, and occasion of injury received, extent of disability, etc., etc.<sup>20</sup> With these instructions, he declared that any person of ordinary intelligence and education could apply directly to the Office, establish the claim and secure its admission without any aid except that of making an oath before a magistrate.

On the whole, the administrative features of the act of 1862 appear to have been handled with efficiency. Within a year, more than 600 examining surgeons were appointed in the different states and territories to conduct the examination of pension applicants. They acted under uniform instructions throughout the country, and were by oath under obligations to the Pension Bureau. The Commissioner announced that selections were made, not only with regard to their professional skill and standing, but also because of their integrity and impartiality.<sup>21</sup> Because of the dual capacity in which they served, that of protecting the Government on the one hand and of helping the claimant to secure a pension on the other, the examining surgeons presented one of the most difficult problems with which the Pension Bureau had to deal.

The exact cost imposed upon the Government by reason of the act of 1862 cannot be determined. But within two years it was holding the center of attention for all pension claims. In his annual report for 1864 Commissioner Barrett reported that "the chief labor now devolved upon the Pension Office is that arising under the Act of July 14, 1862, and to this mainly will attention necessarily be directed in the future."<sup>22</sup> In that year, the total amount paid out for

<sup>19</sup> *House Exec. Doc.* 37th Cong. 3rd sess. vol. 2, p. 577.

<sup>20</sup> *Instructions and Forms for Army Pensions.* Gov't. Printing Office, Washington, D. C. 1863.

<sup>21</sup> *Annual Rep't: Commissioner of Pensions*, 1862.

<sup>22</sup> *House Exec. Doc.* 38th Cong. 2nd sess. vol. 5, p. 655.

pensions was \$4,506,903.31, of which more than \$3,500,000 was paid for those claims admitted under this act alone. The total number of pensioners on the rolls June 30, 1864, was 51,135, and of these, more than 48,000 had been placed there because of service in the pending war. An appropriation of more than \$7,000,000 was asked for to pay the claims already allowed.<sup>23</sup>

As the war continued, Congress manifested a keen interest in the welfare of the Union soldier. Every season's campaign added a great number to the pension list, and the unexpected duration of the struggle developed a spirit of revenge throughout the North. It was officially proposed, upon more than one occasion, to create a large pension fund for the Union soldiers by confiscating southern property and using the proceeds arising therefrom. In his annual report for 1864, the Secretary of Interior, Mr. J. P. Usher, urged upon Congress the consideration of such a policy. It seemed eminently proper, he stated, "that some of the means derived from these sources (confiscated property) should be applied to the establishment of homes for those who have been, or may hereafter be, permanently disabled and rendered helpless by reason of their service during the existing war."<sup>24</sup> The Commissioner of Pensions also favored the idea, and suggested that such funds were needed to meet the heavy demands for the payment of pensions. While this idea may have been shared in by several members of Congress, no such provisions were ever enacted into law.

However, just before adjourning for the summer in 1864, Congress passed another important pension act. It was an act to supplement the law of 1862. In it are to be found many new provisions dealing with the administrative side of the pension system. Biennial examinations were to be made only by a surgeon duly appointed by the Commissioner. The object was to prohibit entirely the examination of pension claimants by civil surgeons as provided for under the old law of 1859. The fees paid for the medical examination were to be refunded to the pensioner, out of the money appropriated for the payment of pensions. In order to

<sup>23</sup> *Ibid.* pp. 655-656.

<sup>24</sup> *Annual Rep't: Sec. of Interior.* 1864. p. 12.

accommodate those claimants who lived some distance from a pension agency or county seats, the Commissioner of Pensions was authorized to appoint Pension Notaries in localities more than 25 miles distant from places where Courts of Record were held, before whom the applicant could appear, make his declaration, and present testimony. Within the next two years the Commissioner had appointed 31 such officials for the convenience of the pensioners. In Maine and New York there were 8 each, 4 in Pennsylvania, 3 each in Michigan and Wisconsin, and 1 each in Illinois, Iowa, Maryland, New Hampshire, and Vermont.<sup>25</sup>

A provision was made whereby none of those claims then on file, unless prosecuted to a successful issue within three years after the passage of this act, and no future claims, unless successfully prosecuted within five years, were to be allowed. Exception was made for those who could produce satisfactory record evidence from the War Department to establish their case. Claims that had been pending for more than three years, if allowed thereafter, were to commence from the date of filing the last papers by the party prosecuting the case. The object of this section of the act was to force claimants, after they had made application, to push through their cases as soon as possible and have them decided upon one way or the other. The practice of filing a claim, and then letting it drag along for months and years without furnishing sufficient evidence to warrant its allowance, was one of the most provoking and difficult problems with which the Bureau had to deal. This was the first attempt made by Congress to force an early settlement of cases, after they had once been filed.

The question had frequently arisen in the administration of the pension system as to whether those persons who had volunteered and had been disabled in the service, even though they had not been regularly enlisted, were entitled to a pension. By section 8 of the act of 1864 it was decided to extend to such soldiers, their widows and dependents, the same benefits that would accrue to those who had been regularly mustered into service. Should a person entitled to a pension die while the application was pending, and the

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<sup>25</sup> *House Exec. Doc.* 2nd sess. 39th Cong. 1866-67. p. 537.

claim later be allowed, it was paid to the widow or dependents of the deceased. Payments were to commence on the same date at which the invalid's pension would have commenced had he survived.

The provisions of the pension laws were also extended so as to include the widows and children of colored soldiers. The laxity of the marriage laws among the negroes was recognized, and a provision was inserted, declaring that the parties should be considered as legally married if they had lived together for two years immediately preceding the soldier's enlistment, and had habitually recognized each other as man and wife. In case the parties lived in a state where colored marriages were legally solemnized, then they had to present the usual evidence required to establish a pension claim.

One of the rather remarkable provisions of the act was that which permitted claim agents and attorneys to charge a ten dollar fee instead of five, for their services in prosecuting pension claims. Just what prompted this increase is not known. There was no discussion whatever attending its passage, nor is there any evidence that such an increase was favored either by the Secretary of Interior or the Commissioner of Pensions. No part of the fee, however, was to be demanded or received by the attorney until the claimant had secured the first payment on his pension.

The most important section of the act of 1864 had to do with the fixing of rates for certain specific disabilities. This was a new principle in the administration of the pension system. Under the act of 1862, the rates had been arranged upon the basis of total disability; and for inferior disabilities, an amount proportionate to the injury was to be allowed. The examining surgeon would report the nature of the disability and the extent of the wound of each pensioner examined to the Bureau. Upon these reports, the rates would be determined. Such a system lacked uniformity and was subject to endless abuses by unscrupulous surgeons.

To correct this, it was decided to establish a standard system of rates for certain specific disabilities, and apply them uniformly in all such cases. When this principle was first introduced in 1864, provision was made for only three

classes of injuries: the loss of both feet, both hands, and both eyes. For the first mentioned disability, a pension of \$20 per month was granted, and for the other two classes, the amount was fixed at \$25 per month.<sup>26</sup> The number of specific disabilities later added to the group, the numerous classifications that have been made, and the remarkable increase in rates since 1864, have caused this feature of the pension system to approach the point of absurdity.<sup>27</sup>

By the close of the year 1864, the subject of pensions was playing a large part in national affairs. Within two years, Congress had passed two important and far-reaching pension laws. In his annual report for 1864, Commissioner Barrett stated: "No other nation has provided so liberally for its disabled soldiers and seamen, or for the dependent relatives of the fallen."<sup>28</sup> Commenting upon the great development which the pension system had undergone since the War of Independence, he added: "In place of laws for particular emergencies, cautiously limited to retrospective action, we have now a statute which puts on an equal footing each arm of the service, embracing the future as well as the present in its scope, and providing for regulars, volunteers, and militia alike."<sup>29</sup> In the administration of the Bureau, Mr. Barrett was attempting to bring about a definite and systematic procedure. His long term of service—from 1861 to 1868—was marked with activity and efficiency. His reports usually contained recommendations and suggestions looking toward the improvement of the pension system. Especially was he interested in simplifying the method whereby applicants could obtain their own pensions. He supplied them with blanks upon which they could fill out their own vouchers and draw their pay without the aid of any third party, except some one to administer the oath.

For those who resided at some distance from places where Courts of Record were held, and especially for the sick and infirm in such localities, he showed great sympathy. For their convenience, he requested that still greater freedom be given him in the appointment of Pension Notaries to attend

<sup>26</sup> *U. S. Statutes at Large*. vol. 13, p. 387.

<sup>27</sup> For a table showing all the rates established for specific disabilities during the period between 1864 and 1865, see p. 19.

<sup>28</sup> *House Exec. Doc.* 38th Cong. 2nd sess. vol. 5. 1864-65. p. 656.

<sup>29</sup> *Ibid.*

to their claims. During the year of 1864, six additional pension agencies were established: one in each of the following states—Wisconsin, Iowa, Illinois, Ohio, New York, and Delaware.<sup>30</sup>

The rapid and continued growth of the pension system led Mr. Barrett to view with some apprehension its future development. He felt the need of a very effective and complete system of administration. To this end, he recommended in 1865, that a study be made of the pension systems in Europe. The information could be secured through the consular agents residing abroad, or better still, he added, by appointing a special commission for that particular purpose. It was felt that "the cost would be trivial compared to the benefits to be anticipated from such observation properly made and reported."<sup>31</sup> While Congress complied with practically every other recommendation made by the Commissioner, it, however, failed to sanction this move, and he was left free to devise such plans as he deemed best.

On March 3, 1865 another pension act was passed which contained two rather important provisions. The first of these applied to the Civil Service employees. Any person employed in the Government service and who was receiving full pay or salary for his services, was denied the right of drawing a pension during the time he was thus employed. This provision brought forth a great complaint on the part of the pensioners, and scarcely had the next session of Congress opened in December, 1865, when Mr. Thaddeus Stevens introduced a joint resolution asking for its repeal. A petition, bearing the signatures of the disabled soldiers employed in the various departments of the Government, was also presented to Congress, praying for its repeal.<sup>32</sup> A provision to this effect was inserted in the act that passed Congress on June 6, 1866.<sup>33</sup>

The other section worth noting in the act of 1865 was passed for the benefit of the children of deceased pensioners. Under the act of 1862, it will be remembered, the pension received by a soldier was, at the time of his death, to be paid

<sup>30</sup> *Ibid.* p. 658.

<sup>31</sup> *Annual Rep't: Commissioner of Pensions, 1865. House Exec. Doc. 39th Cong. 1st sess. vol. 2, p. 793.*

<sup>32</sup> *Cincinnati Commercial. Dec. 6, 1865.*

<sup>33</sup> *U. S. Statutes at Large. vol. 14, p. 57.*

to his widow. It was now provided, that in case the widow should die or remarry before any part of the pension had been paid to her, it was to be awarded to the child or children under 16 years of age. If the pension had already been paid to the widow, then upon her death or remarriage, the child or children were entitled to the remainder of the payments until "they severally reached the age of 16 years, and no longer."<sup>34</sup>

When Congress met in December, 1865, the war which had given rise to the great mass of pension claims had been brought to an end. The Union soldiers had been mustered out, and the vast majority had returned to their homes and adopted the life of peaceful citizens. Many of them had been reduced to utter poverty. Those who had suffered from wounds or disability were especially in need of assistance, and under such conditions it was but natural that they should turn to the Government for aid.

In the Thirty-ninth Congress,<sup>1</sup> the soldiers found a responsive body of men. While the immediate problem that faced this session of Congress was of course "reconstruction," nevertheless they showed almost an equal interest in the welfare of those who had recently saved the nation. An illustration of this interest is gathered from a practice engaged in by the House during the opening weeks of this session. According to a statement of one of their own members, it became a custom frequently to declare a recess in order to allow the Representatives to meet those Generals of the late war who came to Washington.<sup>35</sup>

The liberality of the House became apparent quite early. President Johnson, in his annual message of December, 1865, stated that "a grateful people will not hesitate to sanction any measures having for their object the relief of soldiers mutilated and families made fatherless in the efforts to preserve our national existence."<sup>36</sup> On December 14, during the second week of the session, Mr. Johnson of Pennsylvania urged upon the House the need of a revision in the pension laws. He was especially anxious to have the Government

<sup>34</sup> *U. S. Statutes at Large*. vol. 13, pp. 499-500.

<sup>35</sup> *Cong. Globe*, 39th Cong. 1st sess. p. 3355.

<sup>36</sup> *Richardson's Messages and Papers*. vol. 6, 1861-1865. p. 363.



provide pensions for a greater number of specific disabilities, and also increase rates for those included in the act of 1864.<sup>37</sup>

Thaddeus Stevens announced that he would willingly support such a measure if introduced, and would favor paying the amount out of the forfeited estates of those who created the necessity for such pensions. In a public address given at Lancaster, Pennsylvania, on September 9, 1865, he had proposed a plan whereby he hoped the Government would realize over three and a half billions of dollars by confiscating southern property. Of the total, \$300,000,000 should be invested in six per cent government bonds, and the interest used in paying pensions.<sup>38</sup> On December 20, he presented a bill in Congress, in which he proposed to double all pensions caused by the late war, and the funds to pay for the increase were to be raised by a plan similar to the one just mentioned. Although no such a measure ever became a law, it reveals the attitude which certain members of the House had toward the question of pensions.

The bill that finally became a part of the statutes was introduced on March 23, 1866, by Mr. Perham, chairman of the Committee on Invalid Pensions. In presenting the measure he announced that there were a great number of specific disabilities, in addition to the loss of eyes, hands, and feet, for which pensions should be granted. The measure was endorsed by Commissioner Barrett who had recommended in his last two annual reports that a new classification of disabilities, and a new system of ratings be adopted. To this end, Mr. Perham submitted his measure. It passed both Houses without serious opposition, and became a law on June 6, 1866.<sup>39</sup>

The act provided pensions for 14 new specific disabilities. The following table is here inserted to show the rates and disabilities provided for by this, and all other acts between 1861 and 1885.<sup>40</sup>

<sup>37</sup> *Cong. Globe*, 39th Cong. 1st sess. p. 59.

<sup>38</sup> Woodburn, J. A. *Life of Thaddeus Stevens*. p. 526.

<sup>39</sup> *U. S. Statutes at Large*. vol. 14. pp. 56-58.

<sup>40</sup> *Annual Rep't*, 1902. p. 163.

Rates and Disabilities Specified by Law	From July 4, 1864	From March 3, 1866	From June 6, 1866	From June 4, 1872	From June 4, 1874	From Feb. 23, 1877	From June 17, 1878	From March 3, 1879	From March 3, 1883	From March 3, 1885
Loss of both hands.....	\$25			\$31.25	\$50		\$72			
Loss of sight of both eyes.....	25			31.25	50		72			
Loss of both feet.....	20			31.25	50		72			
Loss of sight of one eye, the sight of other lost before enlistment.....			\$25	31.25	50		72			
Total disability in both hands.....			25	31.25	50		72			
Regular aid and attendance (first grade).....			25	31.25	50		72			
Periodical aid and attendance.....										
Loss of a leg at hip joint.....			15	24.00			\$37.50			
Loss of an arm at shoulder joint.....			15	18.00	24				\$30	\$37.50
Loss of an arm at or above elbow, or a leg at or above knee.....			15	18.00	24				30	
Loss of a leg above the knee causing inability to wear an artificial limb.....			15	24.00					30	
Loss of one hand and one foot.....		\$20		24.00		\$36				
Total disability in one arm and one leg.....			15	18.00					24	
Total disability in one hand and one foot.....			20	24.00		\$36				
Total disability in both feet.....			20	31.25						
Loss of a hand or a foot.....			15	18.00					24	
Total disability in one hand or one foot.....			15	18.00					24	
Incapacity to perform manual labor.....			20	24.00					30	
Total deafness.....				13.00						
Disability equivalent to the loss of a hand or a foot.....			15	18.00					24	

In addition to the specific disabilities provided for, the Act of June 6, 1866, contained another very liberal section. The benefits of the pension laws were broadened so as to include the father and the orphan brothers, under 16 years of age, as well as the mother and orphan children, who were dependent upon a deceased pensioner.

The remaining sections of the act applied chiefly to administrative problems. They bear evidence of a strong desire on the part of Congress to protect the pensioners from unscrupulous attorneys and claim agents. Section 2 of the act prohibited the sale, assignment or transfer of any claim or interest in a pension to another party. Attorneys who assisted the pensioner in securing their regular payments were compelled to state under oath that they had no interest in the money by reason of any pledge, mortgage, sale, assignment, or transfer of the claim. Under no condition could the money due a pensioner become liable for attachment. The fee allowed to claim agents or other persons for assisting the pensioner to receive his semiannual payments was fixed at twenty-five cents; and a fifteen-cent fee was allowed for administering the oath.

The three-year limitation was reenacted, and if claims were not filed within the time specified, the pension if granted, was to commence from the date upon which the last papers were filed.

Scarcely had the above law gone into operation before a second pension act was passed. It contained a very liberal provision for widows who had children dependent upon them for support. Their pensions were increased two dollars per month for each child under 16 years of age. This was a very worthy and meritorious provision. It was later characterized by Mr. Cutcheon of Michigan as the most beneficial pension law ever enacted, and due to its provisions, he declared that 18,000 widows had received immediate relief.<sup>41</sup>

In case the widow had died or remarried, and had left more than one child, then the children were to be given a pension equal to the same amount which the widow would have received if living and entitled to a pension. No person, however, was to receive more than one pension.

The only other important section was that which extended the provisions of the act of July 14, 1862, and acts supplementary to it, so as to include all pensioners except those arising from the Revolutionary War.

Thus during the first session of the Thirty-ninth Congress, and within an interval of six weeks, two very liberal pension laws had been passed. Pension applications for specific disabilities, and on behalf of dependent widows, fathers, and orphans, began to pour into the Pension Bureau. When Commissioner Barrett submitted his annual report four months later, he found it necessary to ask Congress for a larger increase in the clerical force of his office. In the appropriation bill of March 2, 1867, \$41,000 was set aside for this purpose.<sup>42</sup> The increase of applications continued, and by June 30, 1867, these two acts had practically doubled the work of the Bureau. More than 33,000 pension claims had been increased, and the annual amount now expended for pensions exceeded \$18,000,000.<sup>43</sup>

During the second session of the Thirty-ninth Congress, an act was passed which is important, both because of its

<sup>41</sup> *Cong. Record*. 50th Cong. 1st Sess. Appendix, p. 322.

<sup>42</sup> *U. S. Statutes at Large*. vol. 14, p. 447.

<sup>43</sup> *Annual Rep't: Commissioner of Pensions*, 1867.

administrative provisions, and because of the very interesting sidelight it throws upon the rivalry that existed between President Johnson and the members of Congress. While the measure was originally presented in good faith, it turned out to be a piece of legislative retaliation.

In January, 1866, Senator Lane of Indiana, chairman of the Committee on Invalid Pensions, had introduced a bill in which it was proposed to have all pension agents appointed by the President, subject to the approval of the Senate.<sup>44</sup> Since the organization of the Department of Interior, the pension agents had been appointed by the Secretary of that Department. Before the Civil War, they were looked upon as minor officials, and attracted little or no attention. But by 1866 there were 52 pension agencies scattered throughout the states and territories, and they were handling upwards of \$13,000,000 every year. While allowed no stated salary, they received a percentage upon the amount paid out from their offices, and the maximum income was fixed at \$4,000.

As the pension system expanded, and as the amounts disbursed through the different agencies became larger, the positions were sought after with much avidity. Due to this fact, and the growing political importance of the offices, it was proposed to place the appointment of the agents in the hands of the President and make them pass the scrutiny of the Senate. The measure was supported by the Secretary of Interior, Mr. James Harlan, and passed the Senate on January 20, 1866.<sup>45</sup>

But the House did not take any action upon it during this session.

As soon as Congress adjourned in the summer of 1866, President Johnson began to use the agencies of the Pension Bureau for political purposes. He appointed a new Secretary of Interior, Mr. Orville H. Browning of Illinois, who entered upon his official duties September 1, 1866. The President apparently expected Mr. Browning to assist him in the campaign of that year. Officials whom he suspected as being more favorably inclined toward the congressional policy of reconstruction than his own, were to be removed. To what extent old pension agents were replaced by newly appointed

<sup>44</sup> *Cong. Globe*. 39th Cong. 1st sess. p. 212.

<sup>45</sup> *Ibid.* pp. 333-334.

ones, friendly toward the administration, is not known. But the activity of the pension officials during the campaign of 1866 was such as greatly to displease the members of Congress. And on the third day following its convening in December of that year, the bill that had passed the Senate was called up in the House. An amendment was introduced which made it a much more retaliatory measure than when originally introduced. It provided that all those pension agents who had been appointed since January 1, 1866, should resign their office within thirty days after the passage of this act. The President was instructed to nominate to the Senate, within fifteen days, pension agents to fill all vacancies. By this means, Congress hoped to punish President Johnson, and to give the Senate final control over the new appointees. With this amendment, the bill passed the House by a vote that leaves no doubt as to the feeling of that body toward the President's actions—117 to 29.<sup>46</sup>

On January 7, 1867, the bill, including the amendment, was called up in the Senate. The debates accompanying its passage reveal a bitterness of sentiment against the President and his recent actions equal to that expressed in the House. Senator Lane, who had originally introduced the bill, declared that "honest, faithful, and competent men," had been removed simply because they stood by Congress and refused to bow to executive dictation. Their displacement could be attributed to no other fact, he added, than that of being Republicans and Union men, who opposed the policy of the President.<sup>47</sup> Secretary Browning was referred to as "the most responsible of the bad advisers of the President, and one of the most accountable for the unfortunate differences that have occurred between the executive and legislative departments of the Government."<sup>48</sup>

There was some uncertainty in the minds of a few of the Senators as to whether or not Congress had the power to remove officials who had already been legally appointed. The question brought forth an interesting little debate between Senators Trumbull, Fessenden, and Saulsbury. Mr. Trumbull maintained that such action as provided for

<sup>46</sup> *Cong. Globe*. 39th Cong. 2nd sess. p. 51.

<sup>47</sup> *Ibid.* p. 327.

<sup>48</sup> *Ibid.* p. 632. Senator Conness of Cal.

in the amendment was perfectly constitutional, and cited as a precedent an act passed May 15, 1820, whereby Congress had arbitrarily fixed the date upon which certain offices mentioned in the act should be vacated.<sup>49</sup> Senators Fessenden and Saulsbury contended that the laws were not analogous, and refused to support the amendment.

But the temper of the Senate was not to be cooled by a mere legal technicality. The members of the Thirty-ninth Congress had become accustomed to high-handed legislation, and were just now on the eve of passing the Tenure of Office Act. It would be considered a double victory if they could go still further and unseat certain of the political friends of Andrew Johnson. Senator Sumner tried to amend the act so as to make it apply to every appointment made by the President, or by the head of any Department since July 1, 1866. He would compel all such officials, whose salary exceeded \$1,000 a year—except clerks—to resign within thirty days, and have all new appointments confirmed by the Senate. His object was to restore those Republicans whom the President had “kicked out of office, following his eccentric journey to the West . . . ”<sup>50</sup>

Senator Sumner's amendment was not accepted. The only change made in the bill as it came from the House, was that which substituted the word “July” for “January.” The act as finally passed, compelled all pension agents who had been appointed since July 1, 1866, to vacate their offices within thirty days. All new appointments were to be made by and with the advice and consent of the Senate. The amended bill passed both Houses, and strange as it may seem, was signed by President Johnson, February 5, 1867.<sup>51</sup>

The act authorized the President to establish pension agencies wherever, in his judgment, the public interests and the convenience of the pensioners required it. No state or territory, however, was to have more than three. As already stated, the term of office for all pension agents appointed since July 1, 1866, was to expire within thirty days. For all other agents, the term was fixed at four years, and the appointments were to be made by the President, sub-

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<sup>49</sup> *Ibid.* p. 631.

<sup>50</sup> *Ibid.* p. 404.

<sup>51</sup> *Ibid.* p. 1000.

ject to the approval of the Senate.<sup>52</sup> Whether or not this resulted in obtaining a better class of pension agents is not known. No comment whatever can be found as to the character of appointments made, or the services which they rendered. Nevertheless, Congress had won its fight, and for once had forced President Johnson to yield.

In his annual report for 1867, Commissioner Barrett stated that he believed no important extension of the very liberal pension laws would now be contemplated by Congress. It was expected by those in charge of the Pension Bureau that the two liberal acts of June and July, 1866, had completed all legislation that would be required for some years to come. Due to their provisions, over 33,000 pensions were increased during the next year, and upwards of 36,000 new names were added to the rolls.

But in the face of this astounding growth, the liberality of Congress continued. In December, 1867, the second session of the Fortieth Congress met for an eight months' session. That it would adjourn without doing something to aid the pensioners' cause was hardly to be doubted. Upon actual count of all the bills introduced in the House, it is discovered that of the 1307 reported, 428, or about one out of every three, were bills asking for pensions and relief. This large number of requests for private claims apparently led Congress to believe that the pension laws were still somewhat defective. Just before adjourning in the summer of 1868 another important act was passed.

It was introduced by Mr. Perham, on June 6, 1868, and passed the House almost without debate. In the Senate, Mr. Van Winkle took charge of the bill, and again it received no opposition. Its object, according to Senator Van Winkle, was to correct certain misconstructions in the law, supply some omissions, and make other corrections "in order to prevent such a flood of pension bills being thrown upon Congress as has been at this session."<sup>53</sup> When passed, the act contained sixteen sections. Most of them were concerned with the administrative side of the pension system.<sup>54</sup>

The first section defined the order in which pensions were

<sup>52</sup> *U. S. Statutes at Large*. vol. 14, p. 391.

<sup>53</sup> *Cong. Globe*. 40th Cong. 2nd sess. p. 4228.

<sup>54</sup> *U. S. Statutes at Large*. vol. 15, pp. 235-237.

to be paid to dependent relatives. It was provided that in case a pensioner died and left neither a widow nor children entitled to a pension, it should be paid to the dependent relatives in the following order: First, mothers; secondly, fathers; thirdly, orphan brothers and sisters under sixteen years of age, who should be pensioned jointly if there be more than one. Should the mother's death occur before the father's, then the latter was entitled to the pension, commencing from her death. Following the death of both parents, the dependent children were to receive the pension jointly until they severally reached the age of sixteen years. Pensions granted previous to the passage of this act were not to be affected by its provisions.

The second section provided that pensions were to be granted for wounds received or disease contracted *only* while in the line of duty or while actively engaged in either the military or naval service of the United States. This was a return to the same demands exacted of pensioners prior to the Civil War.

The third section specified that in case pensions were not claimed within three years, it would be deemed as presumptive evidence that the pension had legally terminated. The pensioner could have his name restored, however, if he could furnish satisfactory evidence accounting for the failure to claim the pension.

Section four related to the children of a deceased soldier by a former wife. Before the passage of this act, the widow was entitled to a pension of two dollars per month for each child under sixteen years, but not for those children which the deceased soldier may have had by a former wife. It was now provided that she could receive the two dollars per month for them as well as her own children. And according to section five, the widows or guardians of minor children who were inmates of any charitable institution, were not to be deprived of the two dollars a month pension because of that fact. The law of 1866 had specifically stated that the pensions were to be paid to the children; but the Commissioner of Pensions had declined to pay those who were being cared for in orphanages and asylums. Senator Van Winkle announced that his committee had been in receipt



of many letters asking that the pension be paid to the mothers or guardians of such children, and the provision was inserted.

Sections six and seven contained the most liberal provisions of the act. They related to the payment of arrears of pension. According to the act of 1862 invalids had to make application for their pensions within one year from the date of discharge in case they expected to receive full arrears of pensions. The act of June 6, 1866, extended the time to three years. The same limitation was placed upon the claims filed by dependent mothers or minor children. But many of them had delayed making the application within the time specified. As stated by Mr. Perham, there were many instances in which persons were missing during the war, "and their friends were hoping against hope that they would finally return, until the time expired within which the application should have been made."<sup>55</sup> The result was, that if the pension was granted at some later period, payments were made only from the date of application.

The period within which applications could be filed was now extended to five years, and if allowed, its payments dated back to the time of discharge. The Commissioner of Pensions was instructed to give public notice of these provisions in all pension agencies throughout the country. Persons entitled to the benefits of arrears were to be paid at once. Claim agents and attorneys were prohibited from receiving any compensation for their services in securing the payment of arrears.

The other provisions of the act are relatively unimportant. Another specific disability was added to the list already mentioned. Persons who had but one eye, and lost it while in the line of duty, or in consequence of wounds received while engaged in the service, were entitled to a pension of twenty-five dollars per month. Officers of the army and navy who had lost an arm or leg while in the service were to be given an artificial limb. All pensions granted by special acts of Congress were made subject to the provisions of this law.

While the act of 1868 was by no means an epoch-making piece of legislation, it nevertheless reveals the continued

<sup>55</sup> *Cong. Globe*. 40th Cong. 2nd sess. p. 2876.

liberality with which Congress viewed the whole question of pensions. In almost every provision there is evidence of a growing interest in the ex-soldier and the families of the deceased. That the benefits provided for the pensioners should be fairly and properly meted out to them was the next desire of Congress.

On July 28, 1868, the day following the passage of the above act, Commissioner Barrett was replaced by a new Commissioner of Pensions, Mr. Chris C. Cox of Maryland. Mr. Barrett's long term of service—from 1861 to 1868—had been marked with unusual efficiency. He had been forced to devise and put in operation numerous plans for the adjudication of pension claims. His chief aim seems to have been that of constantly improving the administrative side of the system. He had repeatedly asked Congress to make provisions for a larger clerical force, and to permit a reorganization of the entire system of receiving and allowing claims. Especially was he interested in the adoption of a plan that would result in a more frequent and direct payment of pensions. These same views were shared in by his successors, Mr. Chris C. Cox, who held the office from July 28, 1868, until May, 1869, and Mr. Henry Van Aernam, who served as Commissioner until April 20, 1871. All three commissioners agreed that the system of semiannual payments, one in March and one in September, imposed undue hardships upon the pensioners. Most of the time they found themselves without money, and in this condition were forced to borrow in advance. In order to render this unnecessary, more frequent payments were proposed. Some advocated paying them every two months, others quarterly.

To this end the Forty-first Congress directed its attention in the spring and summer of 1870. Not only was there a desire to provide for more frequent payments, but it was also felt that the whole system by which the pensions were paid should be amended. The fifty-nine agencies scattered throughout the country were characterized as being inefficient and unnecessarily expensive. Several attempts were made to abolish them. One proposal was to the effect that all payments be made through the money-order offices of the

country, supervised by the Post-office Department. Another provided that they be paid directly from the Pension Bureau in Washington. And still a third bill was introduced, proposing that they be paid by the federal assessors and deputy collectors throughout the country.<sup>56</sup>

None of these proposals, however, met with the approval of the Committee on Invalid Pensions. The chief objection was that the Department of Interior had no supervision over or connection with the assessors, deputy collectors, or post-masters of the country. The anomaly of having subjects in one department responsible to the head of an entirely different department did not appear at all practicable. Nevertheless the Committee felt that some change in the administrative system was necessary. To this end a bill was prepared in conference with Commissioner Van Aernam, and introduced on January 10, 1870. After undergoing a few amendments, it passed both Houses, and was signed by President Grant on July 8, just one week before Congress adjourned for the summer recess.<sup>57</sup>

As an administrative measure, the act was very important. Instead of continuing the old system of semiannual payments, it was now provided that they be made quarterly. The pension agents were instructed to prepare and mail a voucher, within fifteen days preceding the 4th of March, June, September, and December of each year, to all pensioners payable at their agency. When properly filled out, it was returned to the local agent. A check for the proper amount was then drawn upon the United States Treasury by the agent, and mailed directly to the petitioner. A fee of thirty cents was allowed for filling out and mailing each voucher.

Inasmuch as the vouchers were now to be issued quarterly it meant that the annual fees of the agents for this particular work would be increased from eighty cents to one dollar and twenty cents.<sup>58</sup> This provision had occasioned a very bitter debate during the consideration of the bill. Several members of Congress desired to abolish outright the whole system of

<sup>56</sup> *Cong. Globe*. 41st Cong. 2nd sess. p. 341; 582.

<sup>57</sup> *U. S. Statutes at Large*. vol. 16. pp. 193-196.

<sup>58</sup> Under the old plan the fee was forty cents a voucher, or eighty cents a year.

pension agencies.<sup>59</sup> They were attacked for their inefficiency and for the enormous cost which they imposed upon the government and pensioners alike. Tables were produced, showing that the 59 agents were paid a commission of \$250,000 a year.<sup>60</sup> This amount, it was argued, should be used to aid the pensioners themselves, rather than fatten the salaries of the agents.

The charge was also made that the agents were becoming too much interested in certain phases of pension legislation. Mr. Lawrence of Ohio insinuated that during their convention, held in Washington in December, 1869, they practically dictated the bill that was later submitted by the Committee on Invalid Pensions. Especially were they charged with being responsible for the increased fee. "One object (of that convention) was to suggest to Congress the propriety of providing by law that pensions should not be paid to claim agents; but they did not forget also to consider that it would be to their own advantage to secure to themselves in *all cases* a fee of forty cents for preparing the papers . . ."<sup>61</sup> That the Pension Agents determined not to allow any other measure to pass, except the one they had sanctioned, was the feeling of several members of Congress.

However true the charges may have been against the agents, they afforded at that time the best means through which the pensions could be paid. Neither the Postmaster-General nor collectors and deputy assessors were willing to take over the work. Had the Pension Bureau undertaken to make all payments directly from Washington, it doubtless would have resulted in a larger expense and a greater delay than that already experienced. The Secretary of Interior, Mr. J. D. Cox, estimated that at least 500 additional clerks would be required in the Pension Office alone, to carry out the provisions of either of the substitute bills.<sup>62</sup> Due to the uncertainty of other plans, the old system of pension agents was retained.

In section three of the act, an effort was made to check one of the most nefarious abuses ever inflicted upon the

<sup>59</sup> Especially Messrs. Lawrence of Ohio, Butler of Mass., Crebs of Ill., and Randall of Pa. *Cong. Globe*. 41st Cong. 2nd sess. pp. 3423-3430.

<sup>60</sup> *Ibid.* p. 321, 3424.

<sup>61</sup> *Ibid.* p. 1070.

<sup>62</sup> *Ibid.* p. 3420.

pensioners. It was due in large part to the old system of semiannual payments. Receiving their money only twice a year, the pensioners usually found themselves without funds long before the next pay day arrived. When needing money, they would usually go to their lawyer, a claim agent, or a broker, and borrow on the security of their next payment. They frequently had to discount their pensions in advance and pay extortionate rates of interest.

The opportunities thus afforded brokers, money lenders, and unprincipled attorneys were soon seized upon. According to the statement of Commissioner Van Aernam, a regular business of lending money on pledged pension certificates was to be found in all of the large cities. He added, "Some of these parties hold from five to eight thousand certificates, and the rate of interest is three for five dollars if the loan is made soon after the semiannual payment is made, and if loaned within twenty or thirty days of the next semiannual payment, the rate is reduced to four for five dollars. Generally the loans or advances are made in dribblets, in small sums reaching through the six months intervening between the payments; in all of which cases the interest is charged at the highest rates. One broker of this kind told me last July that he had at that time over forty-four thousand dollars out at such rates on such security."<sup>63</sup>

In this same connection, Mr. Peters of Maine stated that pensioners had approached him as an attorney-at-law, and had offered him half the amount of their income if he would advance the other half in cash.<sup>64</sup> Senator Edmunds remarked that cases had been reported to him in which the pensioners were paying ten and twelve per cent for money which they had borrowed.<sup>65</sup>

Congress was determined to check this abuse. A provision was added making it an illegal act to pay the pensions to any person other than those entitled thereto. Exception was made in behalf of persons laboring under legal disabilities, in which case the guardian received the pension. Under no condition was the claim of attorneys, brokers, or other persons, to be recognized by the pension agents in making

<sup>63</sup> From a letter addressed to Hon. Wm. Lawrence, M. C., by Commissioner Van Aernam, Feb. 2, 1870. *Cong. Globe*. 41st Cong. 2nd sess. p. 1071.

<sup>64</sup> *Ibid.* p. 344.

<sup>65</sup> *Ibid.* p. 4451.

the payments. Beyond this, Congress could not go. But it was a great protection to the pensioner to insure him that he would receive the payment direct, rather than have it pass through the hands of a third party.

While the system of direct payments was on the whole a beneficent one, there were a few cases in which the Commissioner felt that they should be withheld. Instances were cited in which certain claimants were guilty of such immoral conduct as to forfeit all right to a pension. It was pointed out in the annual report of 1868 that, "Widows, in increasing number, cohabit without marriage, refusing this solemn legal sanction for fear of losing their pensions thereby. Others live openly in prostitution for the same object. Thus is the government placed unwittingly in the strange attitude of offering a premium upon immorality, of which it should be relieved." Attention was also called to those claimants, who "immediately after drawing their pension, devote days, and sometimes weeks, to the most dissipated and riotous courses, while the money lasts."<sup>66</sup> To check these flagrant violations of morality, the Commissioner asked that he be given discretionary power to distribute the pensions to the most needy and deserving. Congress, however, failed to add such a provision, and the abuses continued.

The other important sections of the act related to claim agents and attorneys. Here, as on all other occasions, they were denounced as the worst enemy with which the Pension Bureau and Congress had to deal. Their actions during the last few years, in holding up valid claims until greater fees were paid, in carrying through fictitious claims by means of forgery and perjury, in forcing their services upon ignorant pensioners and then demanding exorbitant sums, had brought them into great disrepute. It is difficult to find in all the congressional proceedings a more bitter denunciation than that delivered against them by Mr. Benjamin of Missouri, chairman of the Committee on Invalid Pensions. They were characterized as "vampires who suck the very life-blood of the poor dependent pensioners," as "parasites who prey upon the penniless widow and orphan," and "the most infamous gang of cut-throats who ever lived."<sup>67</sup>

<sup>66</sup> *Annual Rep't; Commissioner of Pensions, 1868. House Exec. Doc. 40th Cong. 3rd sess. vol. 2, p. 451.*

<sup>67</sup> *Cong. Globe. 41st Cong. 2nd sess. p. 1965, 1967.*

The claim agents had become so bold in their fraudulent practices, that it was decided to investigate some of their operations.

In January, 1869, Colonel Richard J. Dodge was sent to Memphis, Tennessee, for this purpose. His report is filled with acts of rascality and outrages committed upon the pensioners, particularly the colored pensioners. Instances were cited in which the claim agents would hang about the doors of the disbursing office on pay days, and seize the claimant when he came out with his money. "Due to fear, and in order to avoid difficulty, the negro hands over his whole money, and these agents help themselves to whatever they see fit."<sup>68</sup> Mr. Benjamin cited ten cases which he said had been selected at random, wherein it was discovered that the claim agents retained more than half of the total pensions paid. The certificates were almost invariably withheld from pensioners, he added, "not only to retain the collection of the semi-yearly pension . . . but also as security for the payment of advances."<sup>69</sup>

In September, 1869, Commissioner Van Aernam also sent some clerks from the Pension Office to investigate conditions in Alabama, Mississippi, and Tennessee. They examined 750 cases, and the Commissioner reported that they had disclosed an amount of systematic extortion and fraud unparalleled in the experience of the Pension Office.<sup>70</sup>

In order to protect the pensioners from such abuses, it was provided that no agent or attorney could contract for, demand, or receive more than twenty-five dollars for the services which he rendered. The twenty-five dollar fee was to be charged only when consented to by the applicant and his attorney. Otherwise, the fee was to remain ten dollars. The local pension agents were instructed to deduct the fee agreed upon, and then make the payment directly to the pensioner, or guardian. By this means the claim agents were denied possession of the quarterly payments, and their influence over the pensioner was greatly destroyed.<sup>71</sup>

Thus the act of July 8, 1870, may be called purely an administrative measure. It was the result of several bills look-

<sup>68</sup> *Ibid.* p. 1967.

<sup>69</sup> *Ibid.*

<sup>70</sup> *Annual Rep't: Commissioner of Pensions, 1870.*

<sup>71</sup> *U. S. Statutes at Large.* vol. 16, pp. 193-196.

ing toward the protection of pensioners. By providing for more frequent payments, directly to the persons entitled thereto, and by prohibiting brokers, loan agents, and attorneys from securing possession of the pension, it stands as one of the most commendable laws on record.

Due to the provision for quarterly payments, the aggregate expenditure for pensions at the close of the fiscal year June 30, 1871, amounted to \$33,077,383.63. This exceeded the expenditure of the previous year by \$5,000,000; but it included the whole amount of pensions that had accrued between March 4, 1870, and June 4, 1871, that is, five quarterly payments.<sup>72</sup>

By 1871 it appears as if Congress had extended the benefits of the pension laws so as to include all possible claimants. Within ten years, over 261,000 Civil War pensioners had been added to the rolls, and the Government had already paid out more than \$152,000,000 for their benefit.<sup>73</sup> "The poor maimed soldier, about whom so many Fourth of July orations have been heard on this floor,"<sup>74</sup> was being provided for more generously than the soldier of any other nation. Every congress that met between 1861 and 1871 had enacted a pension law, more liberal than the preceding one. Pension notaries and surgeons had been provided for every important center in the country. Provisions were made for enabling the pensioner to secure more frequent payments, and at the least possible cost. In every conceivable way, Congress had shown marked attention to the soldiers of the late war and those dependent upon them.

<sup>72</sup> *Annual Rep't.*, 1871. *House Exec. Doc.* 42nd Cong. 2nd sess. p. 377.

<sup>73</sup> Compiled from *Annual Reports* of 1861-1871.

<sup>74</sup> From Mr. Butler's speech, May 12, 1870. *Cong. Globe*. 41st Cong. 2nd sess. p. 3428.



## CHAPTER II

## CODIFICATION ACT 1873 AND ATTEMPTED REFORMS OF PENSION SYSTEM

The liberality of Congress during the Civil War decade had resulted in the enactment of many pension laws that were utterly contradictory and irreconcilable. This was particularly true of measures relating to specific disabilities and to special ratings. To a less degree, it was also true of the acts relating to the administration of the pension system. Commissioner Baker, who continued to hold office during the first two years of President Grant's second administration, called attention to these facts in his annual report for 1871. He stated that there were upon the statute books no less than forty-four acts or supplementary acts relating to pensions, and added, that if they were strictly interpreted, many of them would defeat the purpose for which they had been enacted.<sup>1</sup> Different heads of the Bureau held opposite opinions concerning many of the acts, and even the Commissioners had not always agreed on certain interpretations.

In view of these facts, he urged upon Congress the necessity of revising and codifying the whole list of pension laws. His recommendation was favorably received by the House Committee on Pensions, and on April 15, 1872, a bill consisting of forty-one sections, and which included the contents of all important pension laws then on the statute books, was introduced in the House.<sup>2</sup> It was principally a codification measure. In only one instance did it provide for any important new legislation, and this was in regard to the organization of the Pension Bureau. The bill encountered no opposition in the House, and after its provisions were explained by Mr. Moore, chairman of the Committee on Pensions, it passed without even a roll call being demanded.<sup>3</sup> Owing to the lateness of the session, no action was taken upon it in the Senate.

<sup>1</sup> *Annual Rep't: Commissioner of Pensions, 1871. House Exec. Doc. 42nd Cong. 2nd sess. vol. 3, p. 391.*  
<sup>2</sup> *Cong. Globe. 42nd Cong. 2nd sess. p. 2442.*  
<sup>3</sup> *Ibid. p. 3396.*

In his annual report for 1872 Commissioner Baker again called the attention of Congress to the need of revising and codifying the pension laws. The bill which had passed the House had met his approval, and he requested an early action upon it by the Senate. On February 12, 1873, the Senate took up the measure, and reviewed it, section by section. Senator Pratt, who had charge of the bill, stated that in order to understand the pension laws then in operation, it was necessary to turn through four volumes of the *Statutes-at-Large*, and study the results of ten years' legislation. So many changes had been introduced from time to time, and so many sections or parts of sections had been repealed, that it was difficult to determine what the existing law really was. For the convenience of pensioners, the members of Congress, and for those prosecuting pension claims, he insisted that a revision and codification of the laws was an absolute necessity.<sup>4</sup>

After undergoing a few slight amendments, the bill passed the Senate, was returned to the House, approved and became a law on March 3, 1873. In its final form, the act consisted of thirty-nine sections.<sup>5</sup> It was a revision and codification of all the pension laws enacted since 1861.

In a few instances, however, new provisions were inserted. Persons receiving pensions for specific disabilities were classified according to the degree of the disability, and new rates were established, based upon the time at which the disability occurred. The pensions of widows were increased two dollars per month for each child under sixteen years, and the increase was to date back to the act of July 25, 1866. In case the widow died, the same increase with arrears was to be awarded to the minor children. The result of this section imposed a tremendous labor upon the Pension Bureau. Thousands of cases that had been on file for six or seven years, had to be taken up, re-examined, and passed upon because of this provision. Within the first year following the passage of the Consolidation Act, almost 30,000 claims of widows and children for increase of pensions had been adjudicated.<sup>6</sup>

<sup>4</sup> *Cong. Globe*. 42nd Cong. 3rd sess. p. 1283.

<sup>5</sup> *U. S. Statutes at Large*. vol. XVII, pp. 566-577.

<sup>6</sup> *Annual Rep't., Commissioner of Pensions, 1874*.

Another provision worth noting is that which extended the benefits of the pension laws to the widows and children of the deceased officers and soldiers who had served in the Missouri State Militia. For several years the Missouri congressmen had been endeavoring to amend the laws so as to bring about this very result. In 1862 an act was passed which provided pensions for the heirs of all deceased officers or privates who had been employed in the Department of the West or the Department of Missouri. But the provisions did not necessarily include all those enrolled in the state militia. On May 10, 1872, the Commissioner of Pensions issued an order in which he directed that the fifteen regiments of the Missouri state militia, the nine regiments of the provisional Missouri militia, and such home guards as were shown by the report of the Adjutant General of Missouri to have been mustered into the United States service, should be recognized as *having been in the service of the United States*. It now required legislative enactment to provide for the widows and children of such militiamen as had been killed while in the service. This was accomplished by section eight of the Consolidation Act. The pensions were not to commence, however, prior to the date of this act.

Due to the enormous business which the Pension Bureau was now performing, a deputy commissioner was provided for. This action was of utmost necessity. There were 340 clerks now employed in the Pension Office, and it was disbursing over thirty millions of dollars annually. With such responsibility resting upon his hands, the Commissioner was rightly entitled to the services of a deputy to assist him in the purely administrative problems. The deputy commissioner was to be appointed by the President, by and with the advice and consent of the Senate; he was to receive a salary of \$2,500 a year. His duties were to be such as should be prescribed by the Secretary of Interior, and in case of the Commissioner's absence, resignation, or death, the deputy was to succeed to that position.

The remaining sections of the Consolidation Act dealt primarily with a revision of the laws already enacted, rather than with new legislation. Ambiguous acts were rewritten, certain others were repealed, and those that remained were made uniform and consistent.

For a period of five or six years following the passage of the Consolidation Act in 1873, the interest in the history of pensions shifts from the legislative to administrative problems. It was felt that the liberal provisions included in the act just mentioned had provided for all possible claimants for some years to come. In fact a glance at the pension rolls during the early seventies confirms this opinion. The number of Civil War pensions gradually but steadily declined between 1870 and 1877, and it was believed that the amount required to pay them had reached its maximum by 1872. In his annual report for that year Commissioner Baker stated, "We have reached the apex of the mountain, but it presents a plain of considerable extent, where there will be little fluctuation for several years."<sup>7</sup> Two years later, when the pension roll dropped from 238,411 to 236,241, he reported that a rapid decrease would continue with each succeeding year, due to the fact that minor children were rapidly attaining the age of sixteen years, at which time their pensions ceased.

But the decrease in the number of pensioners enrolled did not mean a corresponding decrease in the amount of work imposed upon the Bureau. On the contrary, the entire clerical force was falling behind with its labor. As each year passed by, the adjudication of claims became more difficult. It must be remembered that while Congress had been busy for some years in enacting liberal pension laws, it had not provided a clerical force sufficient to administer them. In 1874 there were over 61,000 applications for original pensions, and 10,456 applications for increase of pensions, awaiting settlement. In speaking of this situation, Commissioner Baker stated that for more than two years the clerical force had not been sufficient to dispose even of the current work. Congress was frequently increasing the rates for specific disabilities, and this invariably led to additional labor on the part of the office force in opening old claims, re-examining, and re-rating them. On June 18, 1874, acts were passed which provided for an increase of pension for persons who had lost a leg above the knee or an arm above the elbow. Also persons who had been totally or permanently disabled

<sup>7</sup> *Annual Rep't, 1872. p. 326 of Secretary of Interior's Report.*

were to have their pensions increased to fifty dollars per month.<sup>8</sup> These acts imposed a large amount of extra work upon the Bureau, but notwithstanding this, no additional clerical force was provided.

The delays met with in the Pension Office had given rise to widespread complaint, and were working a hardship if not an injustice upon honest claimants. In 1875, Mr. Henry M. Atkinson, who served as Commissioner of Pensions for about eleven months—March 26, 1875, to February 10, 1876—asked Congress to provide for 20 additional clerks, and to increase the salaries of the chiefs of the divisions and members of the reviewing board. He added that there was probably more public interest being manifested in the faithful administration of the Pension Office than in any other branch of the Government. However, Congress again failed to act, and the clerical force remained the same.

By far the most serious problem arising from the large accumulation of unsettled claims was the opportunity it offered for fraudulent practices. The office force was simply unable to make a careful examination of the affidavits filed in each of the forty thousand and more claims that were annually received. Claim agents realized this, and took advantage of the situation. They knew that the clerks and examiners were not in position to sift the testimony in each case. Hence all sorts of doubtful claims were filed, in the hope that many of them would escape the scrutiny of the Office and be allowed.

Pension applicants and examining surgeons frequently combined with the claim agents in an effort to secure pensions, even when they knew their claims were fraudulent. In 1874, the special agents of the Bureau made an investigation of 1,263 claims, and they discovered that in those cases in which pensions had been granted, nearly 40 per cent—411 cases—proved to be without merit. It was stated that most of them had been established through intentional violations of the law. They were ordered dropped from the rolls, and the amount annually saved by the Government by reason of this action exceeded \$41,000. During the same year, the special examiners had caused over \$16,000 that

<sup>8</sup> *U. S. Statutes at Large*. vol. 17, p. 78.

had been unlawfully obtained in pensions to be refunded to the United States Treasury. As a result of the investigation, 20 persons had been indicted, 13 had been convicted, 2 acquitted, and 5 were awaiting trial.<sup>9</sup>

This investigation simply confirmed the charges that had frequently been made against claim agents and pensioners. In 1875 Commissioner Atkinson stated, "The development of frauds of every character in pension claims has assumed such a magnitude as to require the serious attention of Congress. . . . By actual test in cases taken from the files of this Office it is shown that a large percentage of the affidavits filed in support of claims for pensions are signed and sworn to without being read over to affiants, and without their having a full and proper knowledge of the contents . . ."<sup>10</sup>

The special examiners continued to make their investigations, and each year found the number of fraudulent claims increasing. Between 1876 and 1879, there were 5,131 claims investigated, and of this number 1,425 were dropped as being fraudulent. By this action the Government saved over a million and a half dollars.<sup>11</sup>

One of the cases discovered in 1878 is so notorious that it deserves mention. It was the case of a certain Mr. Prince who lived in Maine. He had made up seven fictitious widows' claims and was drawing a pension on every one of them. The smallest was the pension of one who was represented as a captain's widow. The others ranged from \$25 to \$30 per month. In all, he had received from the Government almost \$20,000 before he was discovered. When his case was examined, it was found that he had not a single real widow. The name of every witness had been forged.<sup>12</sup>

That there were hundreds of cases similar to this, in character if not in degree, was the belief of those who understood the defects of the pension system. Senator Ingalls, chairman of the Senate Committee on Invalid Pensions, declared in 1876, that if an examination was made of the whole pension system, he believed it would be found that of the twenty-nine or thirty millions of dollars that were paid out annually to the pensioners, five millions would be

<sup>9</sup> *Annual Rep't.*, 1874. *House Exec. Doc.* 43rd Cong. 2nd sess. vol. 6. pp. 661-662

<sup>10</sup> *Annual Rep't.*, 1875. p. 443 of *Sec. of Interior's Report*.

<sup>11</sup> *Sen. Report.* 46th Cong. 2nd sess. No. 418.

<sup>12</sup> *House Report.* 46th Cong. 3rd sess. vol. 2, No. 387. pp. 60-61.

discovered as going into the hands of fraudulent claimants.<sup>13</sup> This is a significant statement, coming from a man who for years had been chairman of the Committee on Pensions. President Garfield had, while a member of Congress, expressed the belief that at least one-fourth of all the claims that had been granted were of a fraudulent nature.<sup>14</sup>

For checking these illegal practices, several measures had been proposed. Commissioner Baker had repeatedly urged upon Congress the necessity of a greater number of special examiners. He also asked that they be clothed with more authority when conducting an examination, authority to meet witnesses in person and cross-examine them. Commissioner Atkinson had suggested that a more thorough medical examination be demanded of all pension applicants. He also insisted upon improving the character and professional standing of the examining boards. The only way this could be brought about was for Congress to provide for increased fees in conducting examinations, and thus secure the services of first-class physicians.

Still another measure proposed for checking fraudulent practices was that of publishing the names of all pensioners in the several congressional districts or at the different agencies. It was believed that such action would serve the double purpose of protecting the reputation of those who deserved pensions, and would also expose each fraudulent pensioner to his neighbors and the public. In the Codification Act that passed the House in 1872, there was inserted a section which authorized the Commissioner of Pensions to publish the roll of pensioners in such manner and in such places as should appear most advantageous.<sup>15</sup> But the provision was stricken out when the bill went to the Senate.

It required, however, something more than the mere publication of the names of the pensioners, or an increase of the special examiners, to check the extensive frauds in the pension system. Neither of these plans would have proved of any permanent value. The whole system of taking evidence, and the method of adjudicating claims had to be radically changed before any reform could be expected. No

<sup>13</sup> *Cong. Record*, 44th Cong. 1st sess. p. 1082.

<sup>14</sup> *Cong. Globe*, 42nd Cong. 2nd sess. p. 962.

<sup>15</sup> *Ibid.* p. 3395.

one realized this quite so keenly as Mr. J. A. Bentley, who was appointed Commissioner of Pensions in March, 1876. Mr. Bentley has the unique record of having been the only Commissioner of Pensions since the Civil War who served under three presidents. Appointed by President Grant in March, 1876, he served with such credit during the remainder of his term as to attract the attention of President Hayes, friend of the civil service reform. President Hayes retained him in office throughout his entire administration, thereby going on record as the only president from Lincoln to Wilson, who failed to appoint his own Commissioner of Pensions. When Mr. Garfield became President, Mr. Bentley continued to serve as Commissioner until June 27, 1881. But due to the influence of Republican leaders, he was forced to resign in order that the position might be given to Colonel W. W. Dudley of Indiana. Concerning Mr. Dudley's career, we shall hear much later.

Commissioner Bentley's five year term of service was marked with energy and efficiency. When he entered office the pension system was poorly organized and the records were filled with frauds. The same defective system of granting pensions upon purely *ex parte* testimony, that had been inaugurated during the war, was still in operation. This plan was perhaps as efficient as any that could have been devised for the great number of cases that developed during and immediately following the period of active warfare. The evidence, which depended upon the wounds, disease or disability of the claimant, could easily be obtained. If not reliable, the claim was withheld.

But after ten or a dozen years had elapsed, greater care had to be exercised in sifting the evidence. It was difficult to determine whether or not the disability in question had resulted from wounds received during the war, or from some misconduct on the part of the claimant since the close of the war. In the case of widows' claims, the evidence was entirely *ex parte* in character. And it was among this class of pensions that the greatest percentage of frauds was discovered. Any system that permitted claims to be established upon affidavits prepared in secret by the claimants and their friends, and upon the certificate of the neighborhood



physician, was an injustice to honest pensioners and the Government. When the applications reached the Office there was nothing to indicate whether they were true or false. Fictitious claims bore the same appearance as meritorious ones. It seems rather remarkable that the clerks in the Pension Office, who were denied the opportunity of seeing the claimant and his witnesses, and testing their honesty, made as few mistakes as they did in the granting of claims.

Shortly after entering office, Commissioner Bentley made a thorough study of the *ex parte* system. It required only a superficial examination to convince him of its defects. In his first annual report, 1876, he declared, "Not only is the door thrown wide open for the perpetration of fraud and deception, but every interest connected with the preparation of the case for adjudication—the claimant, his attorney, and the examining surgeon—is adverse to the Government. A mere statement of the substance and character of the present system would, it would seem, be enough to condemn it for the class of cases we now have without any statement of its practical workings as known to the Office."<sup>16</sup>

In a supplemental report Mr. Bentley submitted a plan which he believed would remedy the evils of the system then in operation. His plan, which came to be known as "Bentley's Sixty Surgeon Pension Bill", involved the following changes: The whole country was to be divided into pension districts of such a size, considering territory and population, that one surgeon devoting his entire time to the duties assigned him could make all required medical examinations in that district. A highly qualified surgeon was to be appointed for each district, and was to be placed under the direction of the Commissioner of Pensions. Also a competent clerk was to be sent to each pension district, to act in conjunction with the surgeon. The duty of the clerk was to take the testimony in each case, review the evidence, and cross-examine the witnesses. These two officials were to constitute a Commission on the part of the Government, before whom all pension applicants were to appear and submit whatever proof they desired in support of their claim. After obtaining all informa-

<sup>16</sup> Annual Rep't: Commissioner of Pensions, 1876. pp. 701-702 of Sec. of Interior's Report.

tion relating to each claim, the case and its testimony was to be forwarded to the Pension Office for final settlement.<sup>17</sup>

The system here outlined by Commissioner Bentley had several advantages. In the first place it provided for an open and full investigation, on the part of the Government, of all evidence that was to be submitted to establish a claim. The hearings were to be open to the public. Claimants were to have the opportunity of calling upon any witness they desired in order to support their case. Should their statements be questioned, or their testimony appear doubtful, the Government Commission was to subject them to a cross-examination. The whole plan was based upon the same principle that obtained in all civilized communities for the settlement of doubtful or contested questions of fact.

The plan would also have resulted in a great financial saving to the Government. The services of the 1,500 examining surgeons would no longer have been required. In their stead, 60 highly qualified surgeons were to be appointed at a fixed salary of \$3,000 per year. Commissioner Bentley declared that this change would not only result in a great saving to the Government, but it would insure a thorough medical examination by unprejudiced physicians.<sup>18</sup> This in turn would have permitted the Pension Bureau to dispense with the duties of special examiners, for their services would no longer have been necessary in detecting frauds. By reason of this change, it was officially estimated that the Government would save over \$37,000 annually.

That the plan would have resulted in a decided improvement in the matter of adjudicating pension claims is not to be questioned. It would have benefited honest claimants, checked the fraudulent, and would have been a protection to the Government. It was based upon the modern principle of referring all testimony in disputed cases to a disinterested body for adjudication. As aptly stated by Commissioner Bentley—

“The principle upon which this plan is grounded is universally adopted in civilized communities for the settlement of doubtful or contested questions of fact, and the plan

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<sup>17</sup> *Ibid.* pp. 703-705.

<sup>18</sup> *Ibid.* p. 705.

itself is not entirely new; at most it is but the application of an old plan to a new class of cases. It is suggested by ancient precedents, as well as by the modern practice of the courts, both of law and equity, in referring cases to a master or referee to take and report testimony."<sup>19</sup>

But the members of Congress never seem to have favored the plan. Year after year Commissioner Bentley called it to their attention. The continued development of frauds only confirmed his opinion, that a system such as he had outlined was absolutely imperative. In 1877, after consulting with the Secretary of Interior, Carl Schurz, he decided to make a partial test of the medical and surgical examinations in order to determine just what percentage was valid. Five hundred invalid pensioners were selected, whose names were enrolled in agencies located in New York, Indiana, Ohio, and Michigan. Dr. Almon Clarke of Wisconsin, a surgeon of high professional character, and who had been an examining surgeon of the Pension Bureau for several years, was selected to make the examination. He was instructed to make a careful examination in each case as to all the disabilities of which the pensioner complained. Also, he was to rate each disability, without having had knowledge of the rate allowed by the Office.

Dr. Clarke found and examined 491 pensioners. His rating reduced their monthly pay, in gross, \$701, or \$8,412 per year. Of the 491 pensioners examined, he recommended that 23 should be dropped from the rolls, and the rates of 179 others reduced.<sup>20</sup>

This information only substantiated Commissioner Bentley's belief as to the existence of illegal pension claims and rates. Both he and Secretary Schurz again urged Congress to abolish the *ex parte* system, and substitute the plan which had been proposed. This recommendation is found in every annual report issued by Mr. Bentley during his term of office. But not until February, 1881, did it receive serious attention. As the third session of the Forty-sixth Congress was drawing to a close, and after it had been rumored that Mr. Bentley was soon to be replaced by a new Commissioner

<sup>19</sup> *Ibid.* p. 704.

<sup>20</sup> *Annual Rep't: Commissioner of Pensions, 1877.* pp. 731-732 of *Sec. of Interior's Report.*

of Pensions, the measure was called up in Congress. It passed the Senate, but received only half-hearted support in the House and failed. The Washington claim agents, led by Mr. George E. Lemon, made a strong fight against it. They appeared before the Committee on Pensions, and for days, occupied their attention in arguing against the bill.<sup>21</sup> They led pensioners throughout the country to believe that it was a scheme designed by Commissioner Bentley for the purpose of denying them their just rewards. They circulated petitions all over the country, protesting against the measure. These were signed by pensioners and returned to Congress.<sup>22</sup> By this means, the members of the lower House were led to oppose the bill. This was the measure that cost Mr. Lemon, the active pension attorney in Washington, \$12,000 to defeat. And he declared under oath that he had never done anything in his life in which he had taken so much pride, as in defeating the sixty-surgeon pension bill.<sup>23</sup>

Following Mr. Bentley's retirement from office, the agitation in behalf of pension reform was permitted to drop. His successor, Colonel W. W. Dudley, refused to lend his aid to the sixty-surgeon measure, or any similar proposal, and the old *ex parte* system with all its attendant evils continued in operation.

The most important change that occurred in the administration of the pension system during Commissioner Bentley's term of office resulted from an executive order of President Hayes on May 7, 1877. By its provisions, the 58 pension agencies scattered throughout the country were consolidated into 18. This was one of the many civil service reforms undertaken by President Hayes shortly after entering office. For several years there had been considerable opposition to the large number of pension agents required to distribute the quarterly payments. There were many who felt that these offices were maintained purely for political purposes. Their existence was explained by the *Chicago Tribune* on the ground that they afforded a refuge for the impecunious relatives and henchmen of party leaders.<sup>24</sup> And Mr. Stark, representative

<sup>21</sup> Statement of Sen. Withers, Chair. of Committee on Pensions. *Cong. Record*. 46th Cong. 3rd sess. p. 1102.

<sup>22</sup> *Ibid.* pp. 1097-1106; 1211-1217; 1245-1252; 1340-1351.

<sup>23</sup> *House Reports*, 48th Cong. 2nd sess. vol. 3. No. 2683. p. 160.

<sup>24</sup> *Chicago Tribune*. May 9, 1877.

from Illinois, had declared that of the 19 agencies located in his state, those in the cities were filled with ward politicians, and those in the rural districts, with active political tricksters.<sup>25</sup>

President Hayes believed that both efficiency and economy would result by consolidating the smaller, outlying agencies into a few large ones that were centrally located. To this end he directed that the seven agencies in Maine, New Hampshire, and Vermont be combined into one, located at Concord, New Hampshire; the four agencies in Massachusetts, Connecticut, and Rhode Island into one, located at Boston; the four agencies in New York into two agencies, one to be located in the city of New York, the other at Canandaigua; the three agencies in Pennsylvania into two, one to be located at Philadelphia, the other at Pittsburg; the four agencies in New Jersey, Delaware, Maryland, and District of Columbia into one agency at Washington; the five agencies in Virginia, West Virginia, Tennessee and North Carolina into one agency at Knoxville; the two agencies in Kentucky into one, located at Louisville; the three agencies in Arkansas, Mississippi, and Louisiana into one at New Orleans; the three agencies in Indiana into one at Indianapolis; the four in Illinois into one at Chicago; the four in Wisconsin and Minnesota into one at Milwaukee; the two in Michigan into one at Detroit; the four in Iowa and Nebraska into one at Des Moines; the four in Missouri, Kansas, and New Mexico into one at St. Louis; the two in California and Oregon into one at San Francisco; and the three agencies in Ohio into one at Columbus.<sup>26</sup>

The consolidation took effect July 1, 1877. By this act, the national Government saved \$142,000 annually in pension salaries. The new plan met with such success that the *Chicago Tribune* expressed surprise that it had not been thought of before.<sup>27</sup> Commissioner Bentley reported that the transfer of the records and files from the smaller agencies to the larger ones was speedily accomplished, and the next quarterly payments that fell due in September were promptly met.

<sup>25</sup> *Cong. Record*. 44th Cong. 1st sess. p. 423.

<sup>26</sup> *Annual Rep't: Commissioner of Pensions*, 1877. pp. 735-736 of *Sec. of Interior's Report*.

<sup>27</sup> *Chicago Tribune*. May 9, 1877.

So successful was the plan, that an effort was made during the next session of Congress to abolish all the agencies, and have the pensions paid directly from the Treasury Department in Washington. An amendment to this effect was introduced in the appropriation bill when it came up in the House in April, 1878.<sup>28</sup> The plan was supported by several members of Congress, in the belief that it would lead to still greater economy and efficiency. It also received the approval of Secretary of Interior Schurz, and the Secretary of the Treasury, Mr. James Gilfillan. But Commissioner Bentley advised against it. He declared that the proposed plan would neither reduce the labor nor the duties incident to the payment of pensions. And unless it could be shown that the clerical force of the Treasury Department could handle the work more efficiently than the eighteen agents, he was unwilling to allow the transfer to be made.<sup>29</sup> The pension agents quite naturally opposed the amendment, and they prevailed upon the pensioners throughout the country to petition Congress, requesting its defeat. Due to this combined opposition, the measure failed, and the regular payments continued to be made through the eighteen consolidated agencies.

On June 20, 1878, an act was passed which prohibited claim agents from charging more than \$10 for their services in prosecuting a pension claim.<sup>30</sup> Under the law then in operation—act of July 8, 1870—a legal fee of \$10 had been established in all cases where no special contracts had been filed. But in prosecuting exceptional claims, the attorney had been permitted to enter into an agreement with his client, and charge as much as \$25 for his services. In all such cases, a contract had to be filed with the Commissioner of Pensions, and he, in turn, stipulated the exact fee that should be paid the attorney. This provision had imposed a large amount of unnecessary work upon the Commissioner. Mr. Bentley complained that the office was being flooded with an enormous number of claims that were without merit, and in many cases he did not have sufficient information upon which to base a just decision. To determine the

<sup>28</sup> *Cong. Record*. 45th Cong. 2nd sess. p. 2423.

<sup>29</sup> *Ibid.* p. 2465.

<sup>30</sup> *U. S. Statutes at Large*. vol. 20, p. 243.

exact fee that should be allowed in the thousands of cases that were referred to him, was an impossible task.

The act of 1878 fixed the fee at \$10 in all cases. There was nothing, however, to prevent the attorneys from collecting the fee in advance, provided the claimants were willing to make the payment. The act prohibited the filing of fee-contracts with the Commissioner of Pensions. In all cases then pending, upon which a contract had already been filed, the Commissioner was authorized to allow the amount specified.<sup>31</sup> The act was bitterly opposed by the claim agents all over the country. During the next six years they kept up a constant fight against its provisions, and finally on July 4, 1884, due chiefly to the influence of Mr. Lemon, succeeded in having it repealed.

But there was another measure now pending in Congress upon which claim-agents were to center their immediate attention. This was a bill providing for the payment of arrears. So important were its provisions, and so great was its influence upon later pension history, that it deserves a special chapter for its treatment.

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<sup>31</sup> *Ibid.* p. 243.

### CHAPTER III

#### THE ARREARS ACT

The most significant and far-reaching piece of pension legislation enacted during the period covered by this monograph was the Arrears Act of January 25, 1879. A review of the important acts passed since the Civil War has shown that they all included a provision specifying the date at which time pensions were to begin. According to the act of July 14, 1862, a limitation of one year was fixed within which the claim should be presented in order that the pension should begin from the date of discharge.<sup>1</sup> This limitation continued in force until the act of July 4, 1864, extended the time to three years from the date of discharge.

The act of June 6, 1866, reenacted this same provision.<sup>2</sup> Before the expiration of this period, the act of July 27, 1868, extended the limitation to five years from the date when the right to the pension should have accrued. The five-year limitation became incorporated into the Consolidation Act of March 3, 1873. Section 6 of that act provided for the payment of arrears in case the application was filed within the time specified. In case, however, the application had not been filed within five years after the right to a pension had accrued, then the payments were to commence from the date of filing the last evidence necessary to establish a claim.<sup>3</sup>

Complaints against this provision were frequently heard. And as the years passed by, Congress was appealed to time and again to enact a more liberal measure covering the payment of arrears. During the first session of the Forty-third Congress a great number of petitions were forwarded to that body, asking for a repeal of the limitation. At least two attempts were made toward this end, but neither of them were successful.<sup>4</sup> Nevertheless the agitation continued, and when

<sup>1</sup> *U. S. Statutes at Large*. vol. 12, p. 568.

<sup>2</sup> *U. S. Statutes at Large*. vol. 14, p. 58.

<sup>3</sup> *U. S. Statutes at Large*. vol. 17, p. 572.

<sup>4</sup> *Cong. Record*. 43rd Cong. 1st sess. p. 205, 2274.



the Forty-fourth Congress convened for its first session in December, 1876, it was flooded with petitions urging the passage of an arrears bill. The petitions came from every state in the Union, except those recently in rebellion. Also the legislatures of three states, Illinois, Indiana, and West Virginia, forwarded resolutions to Congress asking for the enactment of such a measure.<sup>5</sup> During the excitement attending the recount of the presidential votes, comparatively little important legislation was enacted. Nevertheless the House went so far as to pass an arrears bill by a two-thirds vote on the last day of the session, March 3, 1877.<sup>6</sup> The measure was sent immediately to the Senate where it was tabled.<sup>7</sup>

When the new Congress opened in December, 1877, it became apparent quite early that additional legislation was necessary in order to satisfy the cry for arrears of pensions. Both Houses willingly expressed their desire toward this end. The fourth bill to find its way upon the calendar of the Senate was one introduced by Senator Ingalls of Kansas, dealing with arrears of pensions.<sup>8</sup> But the members of the lower House were even more interested than the Senate. Petitions continued to pour in from every section of the country asking Congress to liberalize the granting of pensions. Mr. Townsend stated on the floor of the House that over eighteen hundred private bills were introduced during this session of Congress looking toward the relief of those pension applicants who had been deprived of arrears by failing to apply within the specified time.<sup>9</sup>

Finally on April 2, 1878, Mr. Cummings of Iowa submitted a bill providing that in all cases where pensions had been granted, and in all cases where they should be granted in the future, arrears should be paid from the date of death or discharge.<sup>10</sup> The bill was referred to the Committee on Invalid Pensions and was not called up again for two months. But on June 19, the day before adjourning for the summer recess, Mr. Haskell, a Republican representative from Kansas, moved that the rules be suspended and the bill be

<sup>5</sup> *Cong. Record*. 44th Cong. 2nd sess. p. 1377, 1507, 2147.

<sup>6</sup> *Ibid.* p. 2222.

<sup>7</sup> *Ibid.* p. 2168.

<sup>8</sup> *Cong. Record*. 45th Cong. 1st sess. p. 57.

<sup>9</sup> *Cong. Record*. 45th Cong. 3rd sess. p. 150.

<sup>10</sup> *Cong. Record*. 45th Cong. 2nd sess. p. 2217.

passed. His motion carried. An amendment was added, which provided that no claim agent or other person be entitled to any compensation for services rendered in making application for arrears. No discussion whatever attended the passage of the bill or the amendment. The vote stood 164 yeas, 61 nays, 65 not voting.<sup>11</sup> An examination of the vote shows that, excluding the representatives from the southern and border states, only four negative votes—all Democrats—were cast against the measure. (Eickhoff and Mayham of N. Y., Phelps of Conn., and Williams of Del.) So great was the demand for pension relief, that not a single Republican member, and only four Democratic members, representing states where any considerable number of pensioners lived, dared oppose the measure. Again the bill was sent to the Senate. But inasmuch as both Houses were to adjourn within a few hours, it was simply referred to the Committee on Pensions.<sup>12</sup>

During the summer of 1878 it appears that both pensioners and claim agents united their efforts in an attempt to win over the Senate. The interest in pension claims had by this time become more widespread and much more systematically organized than ever before. Claim agents and attorneys were building up an enormous practice. Those most skilled in the system were gradually drifting to the nation's Capital. There they divided their energy between handling claims and lobbying for more favorable pension legislation. In his annual report for 1878 Commissioner Bentley called attention to the concentration of business in the hands of a few big attorneys in that city. By means of subagents and a very thorough system of advertising they were "drumming" the country from one end to the other in search of pension claims. One of the largest of these firms, that of George E. Lemon and Company, established a newspaper in 1877 devoted exclusively to the interests of the ex-soldiers. This paper, known as the *National Tribune*, became the chief news agency for pension applicants throughout the country. By 1884 it had a circulation of 112,000 copies with paid subscribers in more than 18,000 post offices.<sup>13</sup> Due to its

<sup>11</sup> *Ibid.* p. 4874.

<sup>12</sup> *Ibid.* p. 4865.

<sup>13</sup> *House Report.* 48th Cong. 2nd sess. 1884-1885. No. 2683. p. 16.

wide circulation among ex-soldiers and the Grand Army posts, it became a powerful influence in creating a sentiment for more liberal pension legislation, and likewise brought to its editor an enormous pension practice.

But the activity of the claim agents was not confined alone to the pensioners during the summer of 1878. They were also determined that Congress, and especially the members of the Senate, should be made to feel the influence of the pensioners' demand. Petitions were prepared and circulated throughout the country calling attention to the fact that an arrears bill had recently passed the House and was then pending in the Senate. Twenty-five new senators were to be elected during the coming winter. And as Senator Beck, (Kentucky) stated, the claim agents after having "fixed" the House centered their attention upon those state legislatures that were to elect these new members.<sup>14</sup> He added that there was no doubt whatever in his mind, but that the men who were sent to those legislatures in the fall of 1878 were duly impressed with the importance of sending no one to the United States Senate who would not agree to support the pending bill.<sup>15</sup>

As an illustration of the political activity of the claim agents in the state elections of 1878, the re-election of Senator Ingalls from Kansas is cited. Although his record tends to prove that there was no more loyal friend of the pensioners in the United States Senate than Mr. Ingalls, nevertheless it was charged that he was somewhat cold toward the soldiers and unapproachable. So an effort was made to defeat him. Captain R. A. Dimmick, a claim agent in Washington, and president of the Soldiers' Association, sent numerous petitions and circulars to the members of the Kansas Legislature warning them against Senator Ingalls' attitude on pensions. But apparently, Senator Ingalls' record was better known among his Kansas friends than among the Washington claim agents, and he was returned to the United States Senate.<sup>16</sup>

On December 2, 1878, the Forty-fifth Congress convened for its final session. Twice had an arrears bill passed the

<sup>14</sup> *Cong. Record*, 47th Cong. 1st sess. p. 411.

<sup>15</sup> *Ibid.* p. 411.

<sup>16</sup> *Committee Reports*. 45th Cong. 3rd sess. 1878-1879. No. 189. p. 69.

House by more than a two-thirds vote, and it could hardly be expected that the Senate would refuse to act favorably upon it. January 9, 1879, Senator Matthews of Ohio presented a petition from the Pensioners' Association, declaring that it represented the great body of pensioners throughout the country. The petition dealt with the question of pension arrears. It included an estimate which Commissioner Bentley had prepared upon the same subject, some two years earlier, for the Committee on Pensions. The number of persons who would be benefited by the passage of the act, and an estimate of the probable amount necessary to pay the pensions, was included. Using that report as a basis, they estimated that not more than \$15,000,000 would be required to carry into effect the provisions of the bill that had recently passed the House.<sup>17</sup> They called the attention of the Senate to the fact that "six State Legislatures had almost unanimously recommended the passage of the bill," and petitions from over two hundred thousand citizens had been filed to the same effect. They therefore prayed for a prompt passage of the act "in behalf of honesty, equity, justice, and morality . . ."<sup>18</sup>

The following week, the Senate took up the Arrears Bill as it had passed the House. Attention was first directed to the probable expense which it would impose upon the Government. Senator Ingalls, chairman of the Committee on Pensions, was of the opinion that eighteen or twenty million dollars would be sufficient to pay the arrears called for. In justice to Senator Ingalls it should be stated, however, that he admitted the impossibility of forming an accurate calculation upon the subject, due to insufficient data. He reviewed the liberal practice of Congress in extending the time for filing the evidence in pension claims, first from one year to three, and then from three to five years. Referring to that section of the Revised Statutes—4709—which continued to deny thousands of their full pension, he denounced it as arbitrary, unjust, and without a parallel in congressional legislation.<sup>19</sup>

The debate which accompanied the passage of the bill,

<sup>17</sup> *Cong. Record*. 45th Cong. 3rd sess. p. 373.

<sup>18</sup> *Ibid.* p. 373.

<sup>19</sup> *Ibid.* p. 496.

while very inadequate, showed a remarkable willingness on the part of the Senate to aid the pensioners. As stated by Senator Hoar, "we are unanimous for it, there has not been a voice raised against its principle."<sup>20</sup> The only important discussion that took place resulted from an amendment which the Senator himself had submitted. It provided that no arrears of pensions should be paid for any period prior to the occurrence of the disability for which the pension had been granted. It raised the very debatable question as to whether the pension ought to date from the discharge of the soldier, or be limited to the period within which the disability had occurred. The amendment, however, was rejected, and the bill passed the Senate just as it came from the House. The final vote stood thus: 44 ayes, 4 nays, 28 not voting.<sup>21</sup> The four negative votes came from Senators Davis and Hereford of West Virginia, McCreery of Kentucky, and Saulsbury of Delaware.

The bill had thus far in its progress received comparatively little attention from the public or press. Whether this was due to the belief that no such a measure could ever be enacted, or to the general apathy of the public in matters of federal legislation, is difficult to determine. But now that the measure had passed both Houses of Congress and needed only the signature of President Hayes to make it a law, the press began to consider its probable cost.

It required only the most superficial examination to show that those responsible for the measure had been far too conservative in their estimates. The newspapers from all sections of the country pointed out the danger of permitting such a measure to become a law. The more the bill was studied, the greater became its probable cost in the minds of the public. Under caption of an editorial headed "Pension Panic in the Cabinet," a western newspaper stated, "The more the matter is looked into, the larger the thing grows. From a harmless little lamb it has already become an elephant, and bids fair to be a whale before it is done growing."<sup>22</sup> Still other papers estimated that from fifty to one hundred millions of dollars would be required to pay the

<sup>20</sup> *Ibid.* p. 491.

<sup>21</sup> *Ibid.* p. 494.

<sup>22</sup> *Chicago Tribune.* Jan. 23, 1879.

total of arrears.<sup>23</sup> "By comparison to the arrears of pensions grab which passed the Senate to-day," remarked the *Chicago Times*, "the Congressional back-pay grab, that aroused so much indignation throughout the country, was a mere bagatelle."<sup>24</sup> In speaking of the effect which the bill had upon the business and commercial interests the same paper stated that had the Senate purposely been trying to defeat specie resumption, it could have resorted to no more effective measure than that of passing the arrearages bill. "Wall-Street agents anxiously watched the bill and the efforts made to amend it, and the moment it passed without a single change being made in the House bill the fact was telegraphed to European commercial centers."<sup>25</sup>

To a unit, the press attacked the senators and representatives for lacking political independence. They were accused of being far more susceptible to the demands of the soldiers' vote than to the appeals made by the taxpayers of the country. "Those demagogues in Congress," remarked the *Cincinnati Commercial*, "who have voted to take the sum of fifty to one hundred millions of dollars, to fatten claim agents and squander on all sides, will be the very men to sneak out of voting the taxes to meet the outlay. This great pension fraud amounts to a scheme to confiscate and parcel out the money in the Treasury for the benefit of local politicians."<sup>26</sup> Great surprise was expressed by the *New York Tribune* at the eagerness with which the same Congress who, outwardly stood for "reform," "retrenchment," and "economy," should suddenly turn to the support of pensioners. The surprise was all the greater when it was remembered how little was the love which the dominant faction of the leading party in the House bore toward the very soldiers that were to be benefited by the passage of the act.<sup>27</sup> The only excuse that could be given for its passage, states the *Chicago Times*, "was not the legal or equitable claim of pensioners, but the fact that the politicians who have thus voted away the people's money hope to advance their personal ambition thereby. It was brought up at an

<sup>23</sup> *N. Y. Tribune*. Jan. 25, 1879. *Baltimore American*. Jan. 25, 1879.

<sup>24</sup> *Chicago Times*. Jan. 17, 1879.

<sup>25</sup> *Ibid.*

<sup>26</sup> *Cincinnati Commercial*. Jan. 22, 1879.

<sup>27</sup> *N. Y. Tribune*. Jan. 17, 1879.

opportune moment by Ingalls of Kansas whose hoped-for re-election is now pending. There are no less than forty ex-soldiers in the Kansas legislature; hence Ingalls' sudden liberality with the people's money to forward his political fortunes. It was supported by Dan Voorhees, whose hoped-for re-election is now pending. It was supported by every other Senator whose *HOPED FOR RE-ELECTION* is now pending. It was supported by all the Senators except four."<sup>28</sup> In attributing questionable motives to those senators who supported the measure, the *New York Nation* remarked editorially, "Nobody, we suppose, really believes that the Senate passed the Arrears of Pensions Bill from pure motive of national gratitude. . . . Only four Senators had the courage to vote against it, and these all Democrats and not one a President *in petto*."<sup>29</sup>

In the meantime President Hayes had the bill under consideration. There was serious doubt as to whether or not he would approve it. He and John Sherman, Secretary of Treasury, understood better than any one else the enormous sum that would be required to meet the demands of the pensioners, old and new. Two special meetings of the Cabinet were devoted to a consideration of the bill.<sup>30</sup> Secretary Sherman, Carl Schurz, Secretary of Interior, Commissioner Bentley, and the clerical force of the Pension Office, spent the greater part of three days collecting information concerning the amount of money that would be required to meet the demands of the pensioners in case the bill became a law.<sup>31</sup> At a meeting of the Cabinet on January 22, Secretary Sherman announced that a careful examination of the data at hand led him to place the estimate at \$150,000,000. The Commissioner of Pensions, Mr. Bentley, thought one-half that amount (\$75,000,000) would be sufficient, while Mr. Schurz placed his estimate as low as \$50,000,000. But whatever the sum, "the Cabinet was of the opinion that Congress had chosen a bad time for withdrawing such an enormous amount from the Treasury, and that it would have been wiser to have deferred action upon the measure.

<sup>28</sup> *Chicago Times*. Jan. 17, 1879.

<sup>29</sup> *N. Y. Nation*. Jan. 23, 1879.

<sup>30</sup> *Baltimore American*. Jan. 22, 1879; *N. Y. Tribune*. Jan. 25, 1879.

<sup>31</sup> *Baltimore American*. Jan. 24, 1879.

All agreed that a veto of the bill would not be politic, even if it was certain that it would be sustained, which the Cabinet realized was highly improbable after the pronounced majorities by which it passed both Houses of Congress.”<sup>32</sup>

President Hayes was still undecided as to what action to take. Two days later he called another meeting of the Cabinet. Secretary Sherman was still of the opinion that his estimate was approximately correct. To raise the necessary funds, three propositions were suggested: (1) suspend the sinking fund and divert the surplus revenue previously applied to reducing the public debt to the liquidation of the pension gratuities; (2) restore the duty on tea and coffee and use the revenue for paying off the pension claims; (3) sell more bonds and use the proceeds for this purpose.<sup>33</sup> What the opinion of the Cabinet was upon the plans is not known, but the opinion of the press favored the latter in case either of the three expedients had to be adopted. The *Nation* feared that the necessity of meeting the deficit would again open the “flood-gates of folly.”

After holding the longest session it had held for a year the Cabinet adjourned,<sup>34</sup> and it was announced that President Hayes would sign the bill. This he did on January 25, after having had it under consideration for nine days.<sup>35</sup>

President Hayes held that the country should always be liberal in caring for the ex-soldiers, their widows, and orphans. He felt that the Arrears Act was only the fulfillment of a promise made by the Government to its soldiers. In a letter to Mr. William Henry Smith, dated December 14, 1881, Mr. Hayes states:

“The thing I would talk of, if I ever defended or denied or explained, is the Arrears of Pensions Act. That act was required by good faith. The soldiers had the pledge of the Government and the people. Congress, State Legislatures, messages, the press—everybody assured the soldier that if disabled in the line of duty he would be pensioned. The pensions were due from the date of disability, if discharged on account of it, and from the date of such discharge. The

<sup>32</sup> *Baltimore American*. Jan. 22, 1879.

<sup>33</sup> *N. Y. Nation*. Feb. 20, 1879. *Chicago Tribune*. Jan. 21, 1879.

<sup>34</sup> *N. Y. Tribune*. Jan. 25, 1879.

<sup>35</sup> *Cong. Record*. 45th Cong. 3rd sess. p. 743.



act was passed by practically a unanimous vote. A veto would have been in vain. But I signed it not because to veto it would have been ineffectual, but because it was right. It was a measure necessary to keep faith with the soldier. I had fought repudiation on the bond question. Here was a failure to pay a sacred debt to the national defenders. We could not afford—we ought not to haggle with them. Suppose there was danger of fraud. Was there no fraud in raising the revenue to pay the bonds? Whiskey and other frauds? Defective legislation is largely the cause of the frauds complained of. Secretary Schurz recommended the remedy. Again and again it was endorsed by me. Let the witnesses in pension cases be subjected to cross-examination by the Government and the greater part of the frauds would be prevented. The failure of the Government to protect itself against frauds is no reason for evading just obligations. It is said the amount to be paid is larger than was anticipated. That is no reason for repudiating the obligation. The amount is small compared with other war expenditures and debts. And the frauds and hardships upon Government are less than in many other items of unquestioned obligation. We can't make fish of one and flesh of another creditor. Look at the good done. In every county in the North are humble but comfortable homes built by the soldier out of his arrearage pay. They are in sight from the desk at which I write. *I would do it again.* But I will keep silent, and don't want to be quoted. If nobody says what ought to be said in Congress or the press, I will speak at some soldier meeting, and *print*.”<sup>36</sup>

Whether or not the Arrears Act would have been passed over the Executive's veto is difficult to determine. It appears, however, that had President Hayes returned it with a judiciously written message, calling attention to the enormous sums that would be required to meet the demands made upon the Treasury, and the uncertainty which existed in the minds of the officials charged with its administration, its passage by a two-thirds vote would scarcely have been possible. The veto by President Grant of a bill providing for the equalization of bounties to ex-soldiers had resulted

<sup>36</sup> Charles Richard Williams. *Life of Hayes*. vol. 2, p. 338.

in its defeat, and there appears to be no valid reason for thinking that the members of the Forty-second Congress were not as anxious to aid the defenders of their country as those who now occupied the same seats.

Then, too, there seems to have been a general feeling that the Democratic members of Congress originally voted for the bill in order that it might not longer be said that they were the enemies of the Union soldiers. But had they been reassured by the President's veto, perhaps the fear of being labeled the enemy of the old soldier would have disappeared. Between those Democratic members who doubtless would have been glad to cast a negative vote, and the Republicans who could have been won over by a judicious veto message, the Arrears Act would in all probability have failed.

The provisions of the act can be stated very briefly. All pensions that had been granted under the general pension laws, and all those to be granted in the future, in consequence of wounds, disease, or death resulting from service in the United States forces during the war of the rebellion, were to commence from the date of death or discharge of the person on whose account the claim had been or should thereafter be granted; or upon the termination of the right of the party having prior title to such pension. The rates for the period over which arrears of pensions were to be granted were to be the same per month as those for which the pension was originally allowed. Section two authorized the Commissioner of Pensions to adopt rules and regulations for the payment of arrears to all pensioners rightly entitled thereto. Section 4717 of the Revised Statutes which had deprived claimants of their pensions unless their case was successfully prosecuted within five years from the date of its filing, was repealed. Claim agents were prohibited from receiving any compensation for their services in making application for arrears of pension. All acts or parts of acts in conflict with the new statute were repealed.<sup>37</sup>

The next step was to make an appropriation to carry out the provisions of the act. On February 6, 1879, the Commissioner of Pensions was called upon for an estimate of the

<sup>37</sup> *U. S. Statutes at Large*. vol. 20, p. 265.

amount needed to pay the pensions—including arrears—for the fiscal year ending June 30, 1880. This estimate had already been prepared by Mr. Bentley and was at once forwarded to the House. It called for \$34,000,000 to pay the arrears upon claims allowed prior to the passage of the act, and \$2,500,000 for the claims that would be granted before the close of the fiscal year.<sup>38</sup> He also asked for an appropriation of \$50,000 in order to provide for extra clerical force.

This recommendation was forwarded to the House on February 8, 1878. The following week, the bill making appropriation for the payment of arrears was called up for discussion. Mr. Rice of Ohio, chairman of the Committee on Invalid Pensions, submitted an amendment which provided that section one of the Arrears Act be extended so as to include all pensions granted by special acts of Congress.<sup>39</sup> He felt that no member of the House would oppose such an amendment, and stated that it had received the unanimous recommendation of the Committee on Pensions, that every member of the Committee on Appropriations favored it, and that it was also approved by the Commissioner of Pensions.<sup>40</sup> The amendment was accepted without opposition, and the bill carrying an appropriation for \$25,000,000—\$7,000,000 less than asked for by Commissioner Bentley—was passed by the decided vote of 184 to 67, 39 not voting.<sup>41</sup> Of the 67 negative votes, only four came from members representing northern states. Here again both parties attempted to outdo each other in their bid for the soldiers' vote. As described later by one of their own number, "democrats urged democrats to vote for it—to be ahead of the republicans with the 'soldiers' claim' because the Senate would defeat it; and republicans urged republicans to vote for it to be ahead of the democrats with the 'soldiers' claim' because the Senate would defeat it."<sup>42</sup>

The Senate had only a few days within which to consider the appropriation bill and its amendments. Nevertheless it

<sup>38</sup> *House Exec. Doc.* 45th Cong. 3rd sess. No. 75.

<sup>39</sup> Mr. Rice was at this time the Democratic aspirant for the governorship of his State.

<sup>40</sup> *Cong. Record.* 45th Cong. 3rd sess. p. 1487.

<sup>41</sup> *Ibid.* pp. 1487-1488.

<sup>42</sup> Statement of Mr. Reagan, *Del. Cong. Record.* 46th Cong. 2nd sess. p. 1676.

was the occasion of one of the most interesting debates of the session.<sup>43</sup> There were several amendments proposed to the appropriation measure as it came from the House, a few of which were accepted. The first one to bring forth a general discussion was that offered by Senator Ingalls providing for the "sixty-surgeon pension bill" already considered. The necessity for some such administration reform, as set forth in that bill, was felt more keenly now than ever. Commissioner Bentley had repeatedly urged upon Congress the imperative need of a new system for settling claims. The whole plan was again reviewed, and the discussion followed along much the same lines as already noted. The proposed system was thought by many to be too expensive and unwieldy; others feared it would afford too great an opportunity for political patronage, and hence it was defeated.

The most important of the amendments which the Senate added to the bill was a provision making it necessary for persons to file their applications for arrears of pensions before July 1, 1880, if they expected to receive its benefits. While such a proviso was in direct opposition to the spirit of the original act, nevertheless the most enthusiastic pension advocates recognized the need of placing some limitation upon the period within which claims should be presented. Had such a provision not been inserted, the measure would have in all probability resulted in bankrupting the national treasury, or else would have led to an early repeal of the entire act.

The one amendment, however, that came nearest holding up the bill making an appropriation for arrears was introduced by Senator Shields of Missouri. It provided "that the law granting pensions to the soldiers and their widows of the War of 1812, approved March 9, 1878, is hereby made applicable in all its provisions to the soldiers and sailors who served in the war with Mexico of 1846."<sup>44</sup> It was simply an attempt to take advantage of the generosity of Congress and extend the liberal pension laws so as to include the Mexican survivors. Senator Shields was himself a hero of that war, and had served as a Union general in the late Civil War.

<sup>43</sup> *Cong. Record*, 45th Cong. 3rd sess. pp. 1981-1984; 2032-2040; 2042-2051; 2252-2258; 2223-2243.

<sup>44</sup> *Ibid.* p. 2057.

He had the rare distinction of having already served two states in the Senate chamber—Illinois and Minnesota—and was now serving a third. Scarcely a month had passed since he had taken the last oath of office. Always keenly interested in his soldier comrades, he took an active part in all matters pertaining to pension legislation.

When the amendment was first submitted, the Senate was so intent upon passing the bill making appropriation for arrears, that it scarcely considered the new measure, and it was accepted by a vote of 36 to 22.<sup>45</sup> No sooner had the vote been announced, however, than Senator Windom of Minnesota entered a motion to reconsider, and declared that he would call it up again at the earliest moment.<sup>46</sup> This he did, two days later, and asked unanimous consent to reconsider the vote. He stated that from the best estimate he could obtain "the little proposition so good-naturedly introduced by the Senator from Missouri and so good-naturedly supported by a majority of the Senate the other evening would take from thirty to forty millions out of the Treasury." Senators one after another expressed a willingness to have their vote reconsidered, and set forth their reasons for doing so. The excuse most commonly given was that such an amendment as proposed by Senator Shields would result in pensioning a great number of persons who had recently fought against the Union. This did not appeal to certain members of the Senate, and the vote to reconsider was carried by a majority of three.<sup>47</sup>

The discussion then turned upon the original question. Senator Hoar of Massachusetts proposed that the amendment be worded so as to read "provided that no pension shall ever be paid under this act to Jefferson Davis, the late President of the so-called confederacy."<sup>48</sup> There followed one of the most dramatic debates ever staged in the United States Senate. The whole question of the Civil War, the attitude of the southern leaders, and the life history of Jefferson Davis, were reviewed at great length. Senators Hoar, Blaine, Conkling, and Chandler were perhaps the most active in denouncing the late leader of the Confederacy.

<sup>45</sup> *Ibid.* p. 2057.

<sup>46</sup> *Ibid.* p. 2058.

<sup>47</sup> *Ibid.* p. 2224.

<sup>48</sup> *Ibid.* p. 2225.

His chief defenders were Lamar of Mississippi, Morgan of Alabama, Patterson of South Carolina, and Beck of Kentucky. An all-night session was taken up in hearing this man denounced by his enemies and praised by his friends. The session began Sunday night March 2, and lasted through until five o'clock Monday morning. In the midst of the debate Senator Lamar read a letter from Jefferson Davis in which the latter requested the southern senators to permit his name to be excluded from the provisions of the Shields' amendment, if by so doing it would insure its enactment. He called attention to the many worthy survivors of the Mexican War who were in need of the pension, and insisted that they should not be deprived of an award because their names happened to be associated with his.<sup>49</sup> The southern leaders apparently felt, however, that they could force through the Mexican War amendment without excluding the name of Mr. Davis. At least they refused to withdraw it.

After the debate had consumed the greater part of the night's session and as the daylight hour approached, Senator Chandler of Michigan arose and delivered an invective upon Jefferson Davis, which the press describes as the most crushing speech heard in the Senate chamber since before the Rebellion.<sup>50</sup> He reviewed the attitude of Mr. Davis toward the government which he was supposed to be serving while a member of the Senate and in the Cabinet. He then depicted his attempt to destroy that same government; and concluded by expressing his utter amazement at those southern members who were now uttering eulogies upon one "whom every man, woman and child in the North believes to have been a double-dyed traitor to his government."<sup>51</sup> The *New York Tribune* describes the effect of the speech thus:

"Mr. Chandler sat down looking defiantly toward the Democratic side of the chamber and anxiously awaited a reply. But the Democrats remained quietly seated and stared at one another. No man ventured to interrupt, none felt insulted. It was simply crushing." (See also *Baltimore American*, March 4, 1879.) This speech of Senator Chandler's

<sup>49</sup> *Ibid.* p. 2228.

<sup>50</sup> *N. Y. Tribune*. Mar. 4, 1879. *Baltimore American*. Mar. 4, 1879.

<sup>51</sup> *Cong. Record*. 45th Cong. 3rd sess. p. 2234.

made him at once the idol of thousands of old war Republicans. Some of his friends took advantage of his popularity and began to groom him for the next presidential candidate of the Republican party.<sup>52</sup>

A roll call was soon demanded and the Shields' amendment was defeated. The vote resulted in 20 favoring the measure, 25 opposed, and 31 not voting.<sup>53</sup> Every negative vote was cast by a northern senator. Following the rejection of the amendment, the vote was taken upon the original bill carrying appropriations for the payment of arrears, and it passed by the decided majority of 43 yeas and 3 nays.

The following were the three chief amendments which the Senate had added to the appropriation bill. The first one provided that the rates to be allowed in paying arrears of pensions should be graded according to the degree of the pensioner's disability from time to time and the provisions of the pension law in force over the period for which arrears were to be computed. The second amendment made a change in the date from which pensions were to commence, by providing that they should be paid from the day on which actual disability had occurred, rather than from the date of discharge. The third provision limited the payment of arrears only to those who should file their application before July 1, 1880.<sup>54</sup> As stated above, this was the one most redeeming section of the act. It specified the time limit within which claimants must act, if they expected to enjoy the benefits of the back payments.

The House accepted the amendments, and the bill providing for the payment of pension arrears was signed March 3, 1879.<sup>55</sup>

Thus after four years of constant agitation on the part of claim agents, ex-soldiers, and the activity of numerous state legislatures, the Arrears Act became effective. During its passage it had supplied both parties in Congress with excellent political capital. For the first time since the close of the late war, the Democrats came forth and boldly proclaimed their interest in those who had recently fought the

<sup>52</sup> *Baltimore American*. Mar. 31, 1879.

<sup>53</sup> *Cong. Record*. 45th Cong. 3rd sess. p. 2243.

<sup>54</sup> *U. S. Statutes at Large*. vol. 20, pp. 469-470.

<sup>55</sup> *Cong. Record*. 45th Cong. 3rd sess. p. 2408.

nation's battles. They refused to let it be said that they were any longer the enemy of the soldier. Early in the third session of the Forty-fifth Congress, while the bill was still under consideration, Mr. Townsend, a leading Democrat from Illinois, boasted loudly of the support which the members of his party were giving to pension legislation. Since gaining the ascendancy in the House, they had never opposed outright the passage of any bill recommended by the Committee on Pensions. "This side of the House," said he, "deserves commendation for the liberality and zeal with which it has supported legislation in the interest of soldiers engaged in all wars waged in behalf of our government, thereby refuting every accusation against the democratic party of want of regard for the interest of the soldier."<sup>66</sup>

Also when the bill was under consideration making an appropriation for the payment of arrears, each party tried hard to play the other off against the soldiers' vote. In the discussion over the Shields' amendment, the Republicans accused the Democrats of attempting to hold up all arrears of pensions at the expense of rewarding certain survivors of the Mexican War. The Democrats, in turn, claimed the credit for having passed the original Arrears Act, and now taunted the Republicans for failing to vote appropriations to that end. They were charged with depriving the ex-soldiers of those very provisions which the Democrats had labored so faithfully to enact.<sup>67</sup>

But the activity of the members of Congress does not begin to compare with the interest displayed during the passage of the bill by claim agents and prospective pensioners. These two classes comprised a powerful and well organized lobby, and during the sessions of the Forty-fourth and Forty-fifth Congresses, carried on a systematic campaign for more liberal pension legislation.

The most notorious as well as the most active of these lobbies was an organization known as "The Pensioners' Committee" which was established in Washington in 1875. From that date until the final passage of the Arrears Act, no efforts were spared either in the nation's Capital or throughout

<sup>66</sup> *Ibid.* p. 150.

<sup>67</sup> *Ibid.* p. 2235-6, 2239.



the country to influence senators and congressmen alike. Headed by Captain R. A. Dimmick this organization circulated thousands of petitions, pamphlets, and resolutions throughout the country in an attempt to create a public sentiment favorable to the Arrears Act.<sup>58</sup> Their activity in lining up state legislatures has already been referred to in the case of Senator Ingalls' reelection. That they were equally active in other instances is not to be doubted.

But the chief aim of the committee that headed this organization was that of trying to monopolize the entire credit for having secured the passage of the Arrears Act. Just on the eve of the passage of the bill, March 1, 1879, it developed that they had a huge plan on foot to extract large sums of money from the pensioners. The pretense was, that every pensioner in the country owed a great obligation to Captain Dimmick and his assistants for their untiring zeal in pushing through the act.<sup>59</sup> The following circular, setting forth their claims, was issued March 1, 1879:

*Pensioners! The Arrears of Pension Bill a Law*

"The prayers of thousands are answered. A glorious victory. Our work is over. Thank God, my fellow pensioner, we have reached the desired haven—success! At this moment we know not how to congratulate you with the sympathetic feelings we now possess. I will state briefly that I was selected chairman of a pensioners' committee to come to Washington, D. C., and prosecute the Arrears Bill at the commencement of the Forty-fourth Congress, December, 1875, and endeavor to secure its passage. On my arrival here I found we had a mammoth work on hand. Immediately I set to work to secure co-operation and procure such information from the different parts of the country as I could obtain as to various reasons of an accidental and incidental nature why pensioners were debarred from receiving their back pension. After receiving responses from a few hundred, I then made up statistics showing the various causes of delay, and gave the same to General A. V. Rice, now chairman of the House Committee on Pensions, and I compiled the information obtained in an eight-page pamphlet, of which I issued 10,000, sending many to various State Legislatures, to the press, and hundreds of them at various times were placed in Congress. It was entitled "Important Reasons why the Pension Laws should be amended." This has been the fountain from which the public, the press, and the legislators have derived their information as to the justice and merits of the bill.

<sup>58</sup> *House Committee Report*: 45th Cong. 3rd sess. No. 189.

<sup>59</sup> *Ibid.*

Senators, representatives, and officials have gleaned most of their information from this source. I have written many resolutions for State associations urging Congress to pass the bill, and secured their passage, I also have written every editorial and every article in favor of the bill that has appeared in the daily and weekly journals of this city: also numerous other articles for newspapers in various parts of the country. I have put out 100,000 pamphlets, circulars, petitions, etc., and nearly all petitions that have been presented in Congress for the past three years are those which we have issued and sent to the various parts of the country, and have been returned to Congress by our direction. . . . "

He then sets forth the labor involved in pushing the bill through Congress, the debts which he had incurred, and closes with the statement that he would be happy to acknowledge any assistance in defraying the same.<sup>60</sup>

Such were the claims made by one of the active pension attorneys in Washington. On the strength of this, and other circulars, signed by some of the clerks in the War and Interior Departments, in which they also testified to the activity of the "Pensioners' Committee," Captain Dimmick hoped to reap a great harvest from prospective pensioners. Although the plan was discovered before it had gotten well under way, nevertheless the House Committee, in making its report upon the subject, stated that during the few days it had been in operation, the Captain and his assistants had collected almost \$2,500.<sup>61</sup>

Other claim agents appear to have been equally as active, although perhaps not so unscrupulous in claiming credit for this significant piece of pension legislation. They all foresaw the tremendous importance of the measure, should it become a law, and were determined that pension claimants everywhere should know of the interest which they had taken in pushing it through. By this means, their firms were given wide advertisement, and a large increase in the number of claims was sure to follow.

With the passage of the Arrears Act, the work of the Pension Bureau became enormously increased. Even before the appropriations had been voted to carry its provisions into effect, claims began to pour in at an unprecedented

<sup>60</sup> *Ibid.* p. 100-101.

<sup>61</sup> *Ibid.* p. 5.

rate. On February 18, 1879, Secretary Schurz addressed a letter to Vice President Wheeler of the Senate, in which he stated that within the twenty-one days immediately following the passage of the act, 2,301 claims had been presented for invalid pensions.<sup>62</sup> This meant a daily average of more than one hundred, whereas thirty-four had been the daily average during the first six months of the fiscal year. Secretary Schurz added that calls for application blanks were coming in at the rate of 140 per day, "more than ten times as numerous as for a previous year. . . ." <sup>63</sup>

Both claim agents and prospective pensioners became keenly interested in the provisions of the new law. Ex-soldiers who had up to this time manifested little interest in the question of pensions were suddenly informed of the large sum set aside for their benefit. Should their application be successful, it meant that several hundred or perhaps a thousand dollars would be awarded the pensioner in lump sum.<sup>64</sup> This incentive, in the language of Commissioner Bentley, constituted a very powerful attack on the patriotic pride of the soldier, and set many to thinking whether after all they had better not make application for a pension.<sup>65</sup> That the claim agents were ready to reap their harvest is evidenced by the fact that 23,372 claims for arrears of pensions were filed during the month of February, immediately following the passage of the bill.<sup>66</sup> This number was never again equalled during the operation of the Arrears Act. During the five months that intervened between its passage and the close of the fiscal year, June 30, 1878, the total number of claims filed for original and for arrears of pensions amounted to 101,481, a number almost twice as large as the totals for any previous year since the war. They poured into the office far more rapidly than they could be recorded, much less adjudicated. On April 1, 1879, Commissioner Bentley found it necessary to put on a relay of extra clerks, "one day and two night forces," in order to catch up with

<sup>62</sup> *Sen. Exec. Doc.* 45th Cong. 3rd sess. No. 63.

<sup>63</sup> *Ibid.*

<sup>64</sup> Commissioner Bentley estimated the average amount at \$1,025. *Sen. Miscel. Doc.* 45th Cong. 3rd sess. No. 24.

<sup>65</sup> *House Committee Reports.* 46th Cong. 3rd sess. No. 387. p. 11.

<sup>66</sup> *Annual Report, Commissioner of Pensions, 1880.* Table No. 8.

the work of filing claims.<sup>67</sup> At the close of the year, June 30, there were 184,709 cases awaiting settlement.

Not only were new applications piling up at an unprecedented rate, but pressure was brought to bear upon those claims already filed, and an early settlement demanded. The office force was simply overwhelmed with calls, and found itself falling farther and farther behind. A new plan of procedure had to be adopted and Commissioner Bentley decided to rearrange the entire system of military records for receiving and disposing of claims. Under the old plan all applications for invalid pensions were grouped together under one series, and those for widows and dependents, under a second. This meant that every pension claim that reached the Bureau was filed under one or the other of three lists. The result was that some names, such as those beginning with the letters S-M-I; H-A-R; W-I-L; and others had accumulated until they numbered from four to five thousand each.<sup>68</sup> To search through the entire list of such names, for the purpose of finding a particular case, required an unnecessary amount of labor.

Mr. Bentley ordered the whole system to be rearranged and new records prepared. The names were separated from the old series, and were filed with the military divisions in which the claimant had served. This was an enormous undertaking, and when completed, the records filled 176 volumes of 250 pages each. They contained the claims for pensions on account of service in 2,268 regiments, 194 battalions, 706 independent companies, 208 batteries, and 46 staff officers.<sup>69</sup> The plan resulted, however, in a great reduction of the time and labor required for locating the applicant's name. Without some such system, the work of the Bureau would have fallen hopelessly behind, and the administration of the Arrears Act would have been next to impossible.

In December, 1879, an appropriation of \$50,000 was asked for in order to increase the clerical force of the Pension Office. A considerably larger sum would have been requested but

<sup>67</sup> *House Committee Reports*. 46th Cong. 3rd sess. No. 387. pp. 9-10.

<sup>68</sup> *Ibid.* 17, 19.

<sup>69</sup> *Annual Report, Commissioner of Pensions*, 1880.

for the fact that the limited space in which the offices were located would not permit of a very large increase in the number of employees. The effects of the act were also felt in the offices of the Adjutant General and Surgeon General, where the clerks were utterly unable to meet the demands made upon them for military and hospital records. Over 40,000 such cases were awaiting a reply in November, 1879, and the Commissioner stated that additional requests were coming in at the rate of five and six thousand per month.<sup>70</sup>

The members of Congress, likewise, felt the effects of the Arrears Act. Claimants appealed to them for aid in the prosecution of their claims. The representatives in turn would call upon the Pension Bureau to learn the cause for delay. Over 40,000 written and personal inquiries were made upon the Office during the year 1880 by members of Congress alone.<sup>71</sup> Four years earlier the number amounted to only 9,000. The House Committee on Pensions, Bounty Land and Back-pay, was simply "swamped" with letters, asking that certain rejected claims be looked into. Mr. Caswell, a member of the Committee, stated that since the passage of the act, they were receiving over five thousand original applications per month, whereas before its passage, they had received only about ten thousand for the entire year.<sup>72</sup> Mr. McMahan of Ohio remarked that he had in his possession over two hundred applications for pensions, which if properly attended to, would leave him no time whatever for the performance of other duties.<sup>73</sup> The House had already adopted the practice of giving each Friday evening session to the consideration of private claims, but this by no means relieved the congestion.

In order to meet this situation, the Committee brought in a bill looking toward the creation of a Pension Court. It was to be a judicial tribunal, established as a subordinate branch of the Interior Department; to be composed of three members, two of whom were to be learned lawyers, and one, a student of medicine and surgery. The duties of the Court were to review and adjudicate all pension cases that had

<sup>70</sup> *Annual Report*, 1879.

<sup>71</sup> *Annual Report*, 1880.

<sup>72</sup> *Cong. Record*, 46th Cong. 2nd sess. p. 2898.

<sup>73</sup> *Ibid.* p. 2896.

been ordered dropped from the rolls by the Commissioner, all claims then pending in Congress, and all future claims that should receive adverse reports from the hands of the Pension Commissioner. The Court was to review the testimony in each case, hear the evidence of the claimant, and then decide whether or not a pension should be granted.<sup>74</sup> Although the measure received lengthy and somewhat favorable consideration it failed to pass the House.

While the Pension Court bill was under discussion in the House, the Senate also had a measure under consideration, the object of which was to expedite the settlement of pension claims and prevent frauds. Provision was made for a "medico-legal" commission, whereby a lawyer and a physician were to be appointed for each Congressional district; they were to visit each county seat in the district three times a year, and examine and take the testimony of each claimant. Upon instructions from the Commissioner of Pensions, they were to visit other points in the respective districts and investigate any fraudulent cases. This measure, like the above mentioned one, failed of enactment; nevertheless they illustrate the activity on the part of Congress to meet the situation that confronted it.

But the most important step taken with regard to the administration of the pension system, was an investigation which was ordered by the House on January 12, 1880.<sup>75</sup> Within recent months the labor imposed upon the Office had become so great, and the delays in the settlement of pension claims and bounty land cases so notorious, that a Committee consisting of seven representatives was appointed to investigate the entire Bureau and its proceedings. The following members were appointed: Mr. A. H. Caffroth and Mr. A. C. Harmer of Pennsylvania, Mr. George W. Geddes of Ohio, Mr. W. R. Myers of Indiana, Mr. Benton McMillan of Tennessee, Mr. Lucien B. Caswell of Wisconsin, and Mr. J. R. Thomas of Illinois. The Committee began its hearings on February 16, 1880, and continued them at intervals until June 12, of the same year. Congress having adjourned for the summer recess, the Committee did not

<sup>74</sup> For text of bill, see *Cong. Record*. 46th Cong. 2nd sess. pp. 2895-96.

<sup>75</sup> *Ibid.* p. 287.

resume its hearings until January 19, 1881, when it again took up the investigation and carried it on until March 1st.<sup>76</sup>

The scope of the investigation covered practically every phase of the pension system. The steps taken in the examination of cases, the amount and nature of testimony required to establish a claim, the system of adjudication and the reason for delays, the attempts of the Office to detect frauds, the power exercised by the Commissioner of Pensions in passing upon claims and fixing their rates, and the political activity of the Bureau, were the points that received most attention.

The investigation shows that there were two problems for which the Arrears Act seemed directly responsible. The first one was that of causing an inevitable delay in the settlement of claims. Attention has already been called to the increased rate at which applications poured into the Office immediately following the passage of the bill. It was the belief both of the Commissioner of Pensions and Mr. Harmer of the investigating committee, that there would be at least 250,000 unsettled claims pending at the end of the year in June, 1880.<sup>77</sup> As a matter of fact, this number proved to be too conservative. Commissioner Bentley stated before the Committee on February 21, 1880, that the aggregate number at that date was 268,636.<sup>78</sup> During the month of June alone, the last month in which claims could be filed asking for the payment of arrears, there were received in the office 44,532 original Civil War claims. This exceeded the combined number of pension claims filed for all causes during any one year between 1866 and 1878. To search through the records, examine the evidence, and pass upon this number of cases as rapidly as they were filed, was simply an impossible task. The clerical force in the Bureau was increased to 531 persons, an increase of about twenty per cent over that of the previous force, but even then they were not able to keep pace with the demands made upon the Office.

The delays which were met with by both pension attorneys and claimants led to several charges being preferred against the Commissioner and his department. The lack of a proper

<sup>76</sup> *House Committee Reports*. 46th Cong. 3rd sess., vol. 2, No. 387.

<sup>77</sup> *Cong. Record*. 46th Cong. 2nd sess. p. 287.

<sup>78</sup> *House Report*. 46th Cong. 3rd sess. No. 387. p. 26.

organization and the duplication of work was one of the chief criticisms made by attorneys who were interested in pension claims. Mr. N. W. Fitzgerald of Washington, who was handling upwards of 25,000 cases, testified before the Committee that within the last four or five months he had received "duplicate, sometimes triplicate, and sometimes quadruplicate letters from the Pension Office containing the very same matter exactly."<sup>79</sup> Hundreds of such notices, he stated, had recently been received by his office, which indicated an utter lack of efficiency within the Bureau. He also testified that he had frequently been required to file exactly the same evidence and same affidavits a second and third time. Testimony similar to this was also given by Mr. Charles King, another large pension attorney in Washington.<sup>80</sup>

Another complaint lodged against the Pension Bureau at this time was directed at the arbitrary and far-reaching powers exercised by Mr. Bentley. The conditions in which the Bureau found itself after the passage of the Arrears Act unquestionably required careful supervision, and Commissioner Bentley felt it necessary to take a definite stand upon many points. For four years he had been urging Congress to repeal the *ex parte* system of taking testimony, and substitute a law that would more carefully guard against fraudulent practices. But this, Congress had failed to do, and the Commissioner was to a greater or less degree forced to exercise rather arbitrary powers. In this respect, Mr. Bentley surpassed all his predecessors. He was charged by Mr. George M. Van Buren, a pension attorney in Washington as having but one aim, that of building up a one-man power, of attempting to centralize the affairs of the Pension Office so as to give him entire control over all the pensioners throughout the country.<sup>81</sup> Instead of acting the part of a judge in all cases, he was accused of playing the part of a prosecuting attorney, attempting to defeat every claim by any possible means.

Still more severe were the charges made by Mr. George E. Lemon, who was perhaps the most powerful pension attorney

<sup>79</sup> *Ibid.* p. 71.

<sup>80</sup> *Ibid.* p. 215.

<sup>81</sup> *Ibid.* p. 90.



in the country during the eighties. While his criticism bears the earmarks of personal enmity, nevertheless his description of the unlimited power which a Commissioner could exercise, and the arbitrary action of Mr. Bentley in particular, deserve mention. In testifying before the committee he said: "The powers of the Commissioner of Pensions over the subject-matter in his charge, over the persons claiming pensions, and over the attorneys who represent such claimants, are wonderfully large. He holds the keys. He can allow or reject any claim. He can postpone, delay, require new evidence, and repeal his requisition without limit. He can wear out all human patience by substantial or frivolous objection. He can fix, alter, change, and modify the character of proof he will require, and the classes of witnesses to make such proof, at his simple whim or caprice. He can find good excuses for any amount of delays, or he can decline to give any excuse.

"He can send agents with secret instructions, whose reports are confidential, and cut off pensions when he likes,

"Mr. Bentley has of late years . . . piled rule upon rule and regulation upon regulation, until the practice of the Pension Office is difficult, involved and insecure."<sup>22</sup>

At first glance these powers may seem to appear quite far-reaching and even despotic. Yet when it is remembered that the Bureau was working under a greater strain than ever before, and that all sorts of questionable methods were being resorted to in order to push through doubtful claims, the necessity for a strongly centralized system is at once apparent. Congress had within recent years acted most liberally, even to the point of extravagance, in making it possible for almost any ex-soldier or dependent to secure a pension. Almost every representative coming from states where any great number of pensioners lived, had so voted that he could return to his constituency and boast of the manner in which he had tried to aid their cause. But when it came to the actual granting of pensions, a somewhat rigid and discriminating policy had to be followed. The attitude of Congress had simply forced the Pension Bureau to take

<sup>22</sup> *Ibid.* p. 405.

a decided stand in the matter of examining claims and granting pensions. Had something not been done to offset its extravagance, the whole system would have simply become unendurable.<sup>82</sup>

The continued delay in the settlement of claims brought still another complaint against the Pension Bureau at this time. It was charged that the Commissioner and his force were too much interested in political affairs, and that their activity in that direction interfered with the efficient work of the Bureau. Although this charge did not become so widespread until a few years later, yet there is evidence that as early as 1880 the influence of the pension system was felt in the political affairs of the nation. According to the testimony of one of the special agents of the Bureau, Mr. Thomas P. Kane, it was quite a common practice for the Pension Office to concentrate its forces upon those claims coming from doubtful states, just before the general elections.<sup>84</sup> The applications from Ohio and Indiana received special attention, he added, during the fall of 1880. A table submitted by the chief of the Records and Accounts Division shows that during the three months of July, August, and September, 1880, the average number of pensions issued was 1,661; but in October, the month preceding the national election, there were 4,423 original claims allowed.<sup>85</sup> Another practice which was quite prevalent was that of sending special agents home to vote just before election time. Also special clerks were detailed to take out cases for investigation, go home and vote, investigate the case in question, and then have their expenses paid out of the special service fund.<sup>86</sup>

The Pension Bureau found itself, during the campaign of 1880, in a very difficult position. On the one hand it was attempting to keep the pension grants within the limits of the appropriations made by Congress. Commissioner Bentley was charged with holding up every possible claim that he could in order that Secretary John Sherman might not have

<sup>82</sup> The charge was made, and it seems not without foundation, that there was a tacit understanding between members of Congress and the Pension Bureau that, outwardly, Congress should give the impression of being liberally inclined toward all soldiers' claims; but to save the Treasury from being drained, the Commissioner of Pensions should act very arbitrarily in granting the same. For testimony see *House Committee Report*, 46th Cong. 3rd sess. No. 387, p. 178, 266-267.

<sup>84</sup> *House Committee Reports*. 46th Cong. 3rd sess. No. 387. p. 389.

<sup>85</sup> *Ibid.* p. 424.

<sup>86</sup> *Ibid.* p. 385, 443-444.

to embarrass the administration by reporting a depleted treasury during the campaign of that year.<sup>87</sup> And yet on the other hand the Bureau was very careful not to antagonize the soldier vote. Every effort was made to explain the cause of delays in those cases where the pension was not forthcoming. On October 1, 1880, Mr. Bentley issued a pamphlet to all pension claimants which was at once dubbed a "political circular." He set forth at some length the occasion for the delays then existing in the Bureau, and reviewed the enormous work imposed upon it by the Arrears Act. He complained of the delay in the War Department in furnishing the evidence asked for, and declared that it was impossible to make any greater progress under the present system of adjudication. Attention was called to the fact that the Bureau had handled almost 900,000 pieces of mail during the last year, as compared to 355,000 pieces in 1876. A prompt answer of all inquiries necessarily delayed the settlement of claims. He closed the circular as follows: "The Pension Office, as you will see by the statistics given, is doing all it can with the system which it is compelled to employ, and the facilities which are available to settle the cases and relieve the delays; and the Commissioner of Pensions, with the approval of the Secretary of Interior, has recommended changes in the laws which it is believed will enable the claimants to obtain an early settlement of their cases, but which recommendations have not yet been acted upon by Congress."<sup>88</sup>

Although Mr. Bentley stated before the committee that the circular had not been prepared for political purposes, nor for personal capital, nevertheless the wording of the document and the moment at which it appeared lead one to believe that some object, other than a mere statement of facts, lay behind it.

The other problem for which the Arrears Act was in large part responsible was the concentration of an enormous pension business in the hands of a few attorneys. Most of the larger firms were located in Washington, and there they had to be reckoned with, not only in matters pertaining to pension legislation, but also in the administration of the

<sup>87</sup> *Ibid.* p. 90.

<sup>88</sup> *Ibid.* p. 451.

laws. Some idea of their far-reaching power and scope of business may be obtained from the testimony submitted in the Committee report. Mr. Charles King, representing one of the leading firms, stated that from the most reliable information that he could obtain, there were approximately 16,000 men practicing before the Bureau. Of the 210,000 claims then pending, he estimated that 180,000 were being handled by 100 attorneys.<sup>89</sup>

Commissioner Bentley, in speaking upon the same subject, estimated that as few as ten firms were handling at least one-half of all the claims pending in June, 1880. The firms of Nathan W. Fitzgerald and Company, and George E. Lemon had twenty-five and thirty thousand cases, respectively, for which they were responsible. When it is remembered that a fee of at least ten dollars was realized upon every successful case, some idea is obtained of the enormous business which these and similar firms were conducting.

Commissioner Bentley protested strongly against this concentration of business and the establishment of great "pension machines." No group of attorneys could possibly know the details of each of the thirty thousand cases under their care. The individual claimants could not be seen or personally consulted. The testimony produced must of necessity have been machine testimony. And the interest of such attorneys appears to have been centered more upon the total aggregate of claims they could collect and the grand total of their fees, than upon the individual interests of their clients. It was such firms as these that led the Bureau to take an arbitrary stand in conducting its business. The claims which they submitted and the accompanying testimony had to be more carefully scrutinized than those coming from attorneys with a smaller practice. The Commissioner stated that it was a fact, generally recognized in the Office, that the most intelligent handling of claims was done by men who had but few cases to represent, those who lived in the country, among their claimants. They would in most cases compel the applicant and his witnesses to appear before them in person and submit to a cross-examination. By meeting the applicant face to face, and by careful examination,

<sup>89</sup> *Ibid.* p. 189, 190.

the local attorney was in a position to at least *know* the facts; whether or not he always acted in strict accordance with this knowledge is another question. Nevertheless, the Commissioner of Pensions reiterated the statement that cases coming from such attorneys were presented in a more intelligent and trustworthy manner than those which came from the large firms in Washington. His protest, however, was of little avail, and the practice of monopolizing claims continued. As will be shown in the succeeding chapter, there were three firms during the early eighties that practically controlled the claim-agent business, all of which were located in Washington.

The Pension Bureau was not the only department that felt the burden of the Arrears Act. The heavy drain which it continued to make upon the national treasury was destined sooner or later to attract the attention both of the public press and Congress. President Arthur in his annual message of December 6, 1881, announced that the estimate required for the payment of arrears was now raised to \$250,000,000. "The fact that a sum so enormous must be expended by the Government to meet demands for arrears of pensions is an admonition to Congress and the executive to give cautious consideration to any similar project in the future."<sup>90</sup>

There was a determined effort on the part of the public press to have Congress repeal the act. From all sections of the country the charge was made that the people's representatives were betraying their trust by permitting such a law to remain in operation. Senator Voorhees of Indiana stated, January 16, 1882, that he could recall but two legislative enactments, the fugitive-slave law and the repeal of the Missouri Compromise, that had provoked such an explosion of intense wrath as that which followed the arrears act. "If it had been a measure to disseminate pestilence, breed famine, or provoke war, it could hardly have been stigmatized with greater bitterness."<sup>91</sup> He observed that "the most prominent journals from the North end of New England to the Pacific coast teemed with envenomed denunciation of the act." Extracts were read from different

<sup>90</sup> Richardson, *Messages and Papers*. vol. 8. 1881-1889. p. 59.

<sup>91</sup> *Cong. Record*. 47th Cong. 1st sess. p. 405.

papers in which the measure was referred to as "a huge swindle upon the people of the United States, an infamous measure which should be promptly repealed"; and those who had supported it were accused of being moved by "jobbery, fraud, and demagogism."<sup>92</sup>

Senator Beck of Kentucky urged the immediate repeal of the act early in the first session of the Forty-seventh Congress. He characterized it as a fraud upon the American people and "a standing monument to the ignorance, selfishness, and cowardice of the American Congress."<sup>93</sup> His remarks brought forth a sharp retort from Senator Ingalls, who, two days later, introduced a resolution against the repeal of the act. There followed a debate which was extended at intervals over the greater part of the remainder of the session. The whole history of the act, its original intent, and the unexpected cost which it had imposed upon the nation, were reviewed at length. The extent to which members had or had not been influenced by political motives, the part played by claim agents in the passage of the act, and the frauds that were being perpetrated upon the Government were the questions that received most attention.

The friends of the measure were constantly on the defensive in attempting to minimize its total cost. Although it had greatly exceeded the original estimate, they pretended that the end was now in sight and that all arrears would soon be paid. On the other hand, those who favored its repeal insisted that the burden would continue to increase rather than diminish, and that its ultimate cost would run into the hundreds of millions. Mr. Bentley, now retired, had recently stated in an interview with a reporter on the *New York Herald*, that in his opinion the Arrears Act would sooner or later cost the Government over \$510,000,000.<sup>94</sup> This estimate coming from an official who has been characterized as "the ablest and most disinterested Commissioner of Pensions we have ever had" deserved careful consideration.<sup>95</sup> The figures are of special interest when it is remembered that Mr. Bentley had originally placed the

<sup>92</sup> *Ibid.* p. 405.

<sup>93</sup> *Ibid.* p. 319.

<sup>94</sup> Mr. Bentley was retired shortly after President Garfield entered upon his administration. He went to Denver, Colorado, and there entered upon the practice of law. This interview took place in that city. *N. Y. Herald*. Jan. 15, 1881.

<sup>95</sup> Gaillard Hunt, *N. Y. Evening Post*. Jan. 26, 1889.

amount that would be required at \$50,000,000. It shows how utterly impossible it was to make even an approximate estimate upon a measure that was expected to run its course within a few years. Although the most loyal supporters of the act finally had to admit that its cost had gone far beyond that which even the most liberal had estimated, yet they refused to countenance any proposition looking toward its repeal. They defended it as an act of justice and announced their intention of keeping the law upon the statute books, regardless of the cost which it might impose upon the country.<sup>96</sup>

By the close of the year 1882, the Pension Bureau was conducting an enormous business. The new Commissioner, Mr. W. W. Dudley, had convinced Congress that an additional clerical force was necessary in order to meet the delays occasioned by the continuous flood of applications. It was estimated that with the present force of 741 clerks, ten years would be required to dispose of the cases pending at the close of the fiscal year, June 6, 1881.

To meet this situation Congress took a very decided stand, and agreed to furnish the Commissioner with all the extra clerical force he could use. On August 5, 1882, an appropriation of \$1,957,150 (over a million dollars more than ever before voted) was set aside for that purpose.<sup>97</sup> The number of clerks was at once doubled, and by the close of the year there were 1,559 employees upon the pay roll of the Bureau.<sup>98</sup> The desire was to shift, for once, the responsibility for delay from the Pension Bureau over into the hands of the claimants. Commissioner Dudley had estimated that with such a force of clerks he could adjudicate all pending claims by December, 1884, and that the Office could then keep up with the demands made upon it. He was able to report that on July 15, 1883, they had completed an inventory of all claims then on file and that the Office was practically up with its current work.

It was expected, when the extra force was provided for, that it would not be needed longer than a year or possibly eighteen months. However, the *Annual Reports* show that

<sup>96</sup> *Cong. Record*. 47th Cong. 1st sess. p. 1011, 1012, 1339-1340.

<sup>97</sup> *U. S. Statutes at Large*. vol. 22, pp. 247-248.

<sup>98</sup> *Annual Report, Commissioner of Pensions*, 1882.

while a few clerks were dropped during the next few years, no perceptible decrease occurred in the total number of employees. Efforts had been made, while the bill was under consideration, to impose the civil service requirements upon all clerks who should be appointed to these positions. This, however, failed, the sentiment of Congress being that such employees should be recruited from ex-soldiers, and that it would be unfair to impose a civil service requirement upon them.<sup>99</sup>

To still further improve the administrative side of the pension system, a new plan of special examination was provided for. As carried out, it practically repealed the old *ex parte* method as employed in the investigation of suspicious cases. Under that system it was the practice of special examiners to carry on their work secretly. They would enter a community where a case suspected of fraud had been reported, privately work up the testimony in the case, and in a few weeks the pensioner would receive notice that he had been dropped from the rolls. Such a method had frequently been criticised as being arbitrary, unjust, and prejudicial to the interests of both the Government and the claimant. For five years Commissioner Bentley had protested against the *ex parte* principle as applied in the filing of original claims and in the investigation of doubtful ones. The special committee appointed to investigate the conditions of the pension system and bounty lands had also objected to the system. They recommended that a plan be adopted whereby the claimant should be notified of the proposed investigation, and that he be given an opportunity to meet witnesses who testified against him, and produce witnesses in rebuttal.<sup>100</sup>

In the act making appropriations for the payment of pensions in 1882, such a system was provided for.<sup>101</sup> Thereafter, when a case was to be examined, the claimant was notified, and was given an opportunity to be present and cross-examine any witnesses who might testify against him. The special agent would also cross-examine the witnesses, both those appearing for and against the claimant. They

<sup>99</sup> *Cong. Record*. 47th Cong. 1st sess. pp. 4768-4771, 4857-4861.

<sup>100</sup> *House Report*. 46th Cong. 3rd sess. No. 387. p. 2.

<sup>101</sup> *U. S. Statutes at Large*. vol. 22, p. 175-176.



were given power to take depositions, subpoena witnesses, and compel their attendance. The country was divided into 240 districts, in each of which a special examiner was placed. All cases in which there was an absence of records, or where an adverse record existed, and all those attempting to establish a claim by parole evidence only, were referred to the special examiner for investigation. The plan was to provide for an open, full, and fair investigation where all the interested parties could be heard, and all the facts ascertained.

The system appears to have met with immediate success. After it had been in operation for eighteen months, Commissioner Dudley declared that it was very gratifying both to the claimants and the Government. "So well do the claimants appear to be satisfied with the thorough and impartial manner of inquiries made by the special examiners that the office is often urged by them to subject their claims to this test. . . . It shows conclusively, as has often been predicted, that an honest claimant has no fears of a thorough inquiry, but on the contrary often invites the most thorough investigation into the merits of his case, and will render material assistance in obtaining all the facts."<sup>102</sup> On the other hand, the system unquestionably prevented a great number of unjust claimants from pushing their cases, for fear that the searching inquiry to which they would be subjected before their neighbors and witnesses would greatly embarrass their standing in the community.

Not only did the system meet with the approval of the claimants, but it also proved a financial success. With the close of the year June 30, 1884, the number of investigations totaled 7,452, and the net savings to the Government amounted to \$1,802,102.32.<sup>103</sup> This estimate was made up of the amount of pensions computed as due in cases that had been investigated and afterwards rejected, the accrued pensions due in cases that were dropped after investigation, and of the money that had been illegally received by pensioners but later rejected. The entire system met with such approval that 150 additional examiners were provided for by Congress July 7, 1884, in order that all claimants who

<sup>102</sup> *Annual Report*. 1884.

<sup>103</sup> *Ibid.*

were having trouble with their cases might have an early hearing.

Another objectionable feature of the *ex parte* system, that of permitting the claimant to be examined by the local or family physician, was also amended. For years this practice had been the subject of complaint by officials charged with the administration of the pension system. Commissioners Baker, Atkinson, and Bentley had all called attention to the defects of such a practice and had repeatedly urged its repeal. The latter Commissioner in 1879 stated that the examinations submitted by the neighborhood practitioners bore evidence of a very superficial character, and that not infrequently they were found to be untruthful in whole or in part.<sup>104</sup> Due to local pressure, the physicians appeared to be more interested in pleasing the claimant than in making a thorough and trustworthy examination. The result was that the medical referee and his assistants in the Pension Bureau, whose business it was to review the medical side of all cases, lacked sufficient information to determine the existence and character of the claimants' diseases. Wrong conclusions would be reached, and injustice either to the applicant or to the Government would inevitably follow.

Such a system of medical examination simply broke down under the pressure of cases following the Arrears Act. The medical staff of the Bureau was unable to examine the thousands of cases sent in for review. The delays brought forth complaints on the part of claimants, and they in turn were criticised by the Bureau for not furnishing sufficient data concerning their disability.

To remedy these defects a new system was provided for. By law of July 25, 1882, the Commissioner of Pensions was authorized to appoint boards of examining surgeons at such points in each state as he deemed necessary. All examinations for pensions or for increase of pensions were to be made, so far as practicable, before these boards. The fee for each examination was raised from one dollar to two dollars for each member of the board, with the hope that it would attract the most skilled medical men of the district.<sup>105</sup> Com-

<sup>104</sup> *Annual Report*. 1879. p. 4.

<sup>105</sup> *U. S. Statutes at Large*. vol. 22, p. 175.

missioner Dudley at once entered upon the organization of examining boards. In his annual report for 1883 he announced that there were 284 such boards in operation with 84 others in the process of being organized. When it could be done without "jeopardizing anything in the way of efficiency" he added, only two of the members were selected from the same political party, the third one being chosen from a different political faith.<sup>106</sup>

The new system appears to have worked exceptionally well. In the report just referred to, the Commissioner announced that no branch of the Office had made such rapid strides as that observed in the Medical Department. The examining boards were so distributed throughout the states that no applicant was required to travel more than 40 miles in order to reach one by rail. He added that the liberal fee of two dollars had enabled him to employ and maintain in the service some of the most eminent men in the medical profession. Although the cost of this system was considerably greater than the single-surgeon plan with its one dollar fee, nevertheless it resulted in a safer basis of adjudication, and was an ultimate saving to the Government. The plan, however, has never met with entire satisfaction.<sup>107</sup> In these two respects, that of compelling all claimants with doubtful cases to appear before a board of examiners, and all applicants who desired any kind of a pension to appear before a board of surgeons for cross-examination, the Arrears Act had resulted in bringing about a good piece of legislation. The demands that were made upon the Bureau made it necessary to adopt a new system. The only regret is that the plan was limited to those cases suspected of being fraudulent or where the evidence was incomplete. Had it been extended so as to include all applications, original and increase, a long step would have been taken toward perfecting the administrative side of the pension system.

Judging from the unexpected cost which the Arrears Act imposed upon the national Government in the years immediately following its passage, one would scarcely expect to hear of any member of Congress advocating more liberal

<sup>106</sup> *Annual Report, Commissioner of Pensions, 1883.*

<sup>107</sup> For a severe criticism of the outgrown system of medical examination, see *Annual Rep't of Commissioner Evans, 1901, p. 62-67.*

pension legislation. Especially would this seem to be true regarding the Arrears Act itself. Nevertheless, the "warning voice of their constituents" (a phrase borrowed from Commissioner Bentley's characterization of Congress) appears to have been heard again. A review of the bills introduced in the last session of the Forty-seventh Congress shows that eight different attempts were made to repeal the limitation which had prevented the payment of arrears upon claims filed after July 1, 1880. The movement for the repeal had the backing of the newly appointed Commissioner, General John C. Black, and several members of Congress. However, a majority of the senators and representatives apparently felt that it would be unwise to meddle further with the act, and the attempted repeal failed. Had the Republican party been successful in the campaign of 1884, doubtless the limitation would have been repealed. Their national platform for that year contained a plank in which they pledged themselves to its repeal, so that all soldiers should share alike. The Democrats had made no such a pledge, and under President Cleveland's administration, there was little opportunity for any liberal extension of the pension laws.

On June 7, 1888, a "rider" was inserted in the appropriation act which did repeal the limitation imposed upon the payment of arrears to widows.<sup>108</sup> Although this act lies beyond the period properly covered by this monograph, nevertheless it should be considered here in order to complete the treatment of the Arrears Act. It provided that all pensions which had been, or which might thereafter be granted to widows under the general pension laws, should commence from the date of the husband's death. This meant that widows could now receive arrears of payments upon their claims, regardless of the time at which they had been filed. It was a very bad move. As characterized by Commissioner Evans, after twelve years of operation, "it is a standing invitation to fraudulent claims . . . and offers a premium on perjury and false witnesses."<sup>109</sup>

Mr. Evans repeatedly urged its repeal, and stated that in his opinion, every legitimate claim for a pension, either by reason of death during the war, or the years succeeding

<sup>108</sup> *U. S. Statutes at Large*, vol. 25, p. 173.

<sup>109</sup> *Annual Report, Commissioner of Pensions*, 1901. p. 301 of pamphlet.

the war, had long since been filed. Widows' claims were filed, on the average, within thirty days after the death of the husband; yet following the enactment of this measure, the Commissioner reported that claims were being presented by alleged widows of soldiers who had died thirty odd years ago.<sup>110</sup>

The law recognized slave marriages, and this led to some of the most serious abuses ever perpetrated upon the Pension Bureau. Commissioner Evans, in his report for 1901, selected ten sample cases, three of which are here cited, to illustrate the fraudulent claims that were daily coming into the Office:

"The soldier died in the service; the mother applied and received pension as dependent mother; after the mother's death an alleged widow puts in a claim—establishes by witnesses, who testify under oath that they were present at the marriage of the soldier and claimant. The alleged widow knew, and admits the fact, that she was aware that the mother was drawing a pension as a dependent parent. The Government has no case—the mother was wrongly pensioned—the alleged widow has established her case, and your Commissioner is powerless though he believes the case to be fraudulent."

*Certificate No. 237,678.*

"Soldier died in the service January 27, 1864. On February 23, 1887, twenty-three years after his death, his widow filed a claim for pension, alleging marriage to him while in slavery by a customary ceremony. Proof was submitted tending to show fact of alleged marriage and their continuous cohabitation and recognition as man and wife up to date of his enlistment. She was pensioned as his widow October 15, 1887, and \$8 per month from January 28, 1864, and at \$12 from March 19, 1886. The arrearage payment in this case was \$2,352. After drawing \$4,000, the pensioner admits *that she was never married to the soldier.*"

*Certificate No. 33,833.*

"The soldier dies in the service December 30, 1862. Claimant was pensioned as his widow from date of his death until August 26, 1870, the date of her remarriage. On February 20, 1893, thirty-one years after the soldier's death and twenty-three years after her remarriage, she filed a claim for restoration of pension as widow, alleging that she lived with her second husband for nearly six years when she discovered that he had a wife and children then living, and that said marriage was illegal and void and not a marriage in fact or law, and thereupon left him. Twenty-eight years after claimant's marriage

<sup>110</sup> *Ibid.* p. 30.

on August 26, 1870, and twenty-two years after separation from her second husband, she procured a decree, in February, 1898, annulling her second marriage on the ground that at date her second husband had a wife living and undivorced. The arrearage payment in this case was \$2,700."<sup>111</sup>

In concluding his report the Commissioner stated that such cases could be multiplied indefinitely. "The law is an open invitation to fraud, perjury, and misrepresentation, and its enforcement has demonstrated by experience that it has openly invited and been the subject of gross and flagrant abuse, and it should be repealed."<sup>112</sup>

Mr. Evans himself, however, was replaced by a new Commissioner, and the reports for the following years reveal no such opposition to the act on the part of his successors. The law still remains, and by reason of it, widows who later remarried, may still filch the Government for thousands of dollars and use it to support husbands who had not yet been born when the Civil War was being fought.

It is impossible to determine exactly the total cost imposed upon the Government by the Arrears Act. Before its passage, the pension rolls had been gradually decreasing, both as to the number of pensioners and the amounts paid therefor. But within six years following its enactment the number of pensioners had grown from 223,998 to 345,125, while the amount that was annually expended for the same had increased from \$27,000,000 to over \$68,000,000. Commissioner Black in reply to an inquiry from Samuel J. Randall, January 25, 1886, estimated that the act had, up to June 30, 1885, cost the Government \$179,405,872.<sup>113</sup> That it has imposed a sum many times larger upon the nation since that date, is not to be doubted. This was the act that had been passed in the belief that it would require but eighteen or twenty million dollars to carry out its provisions!

<sup>111</sup> *Ibid.* pp. 30-31.

<sup>112</sup> *Ibid.* p. 34.

<sup>113</sup> *House Report.* 49th Cong. 1st sess. No. 783.

## CHAPTER IV

## PENSIONS AND POLITICS

Following the Arrears Act of 1879, there was no epoch-making piece of pension legislation enacted for seven years. But this period is not without interest. During the early eighties the pension system was undergoing a rapid growth and it was coming to play a very significant part in both state and national politics. For this development, the activity of the Grand Army of the Republic and the political interests of the newly appointed Commissioner, Colonel W. W. Dudley, were chiefly responsible.

For several years after its organization in 1866, the Grand Army of the Republic had devoted its energies to legitimate and praiseworthy motives. Its members had pledged to each other their loyal support, and declared their intention of enforcing a "speedy adjustment and payment of all lawful claims against the Government due soldiers and sailors and their friends."<sup>1</sup> But it was not until 1878 that they took any definite action upon the question of pensions. In his annual address for that year, their Commander-in-Chief, General John C. Robinson, called attention to the Arrears Act which was then pending in Congress. He stated that he had been impressed with the justness of the measure, and had brought it to the attention of the Department Commanders with the hope that they would secure favorable action upon it.<sup>2</sup>

Before a year had passed, the Arrears Act became a law. It infused new life into the Grand Army organization. Within two years over 44,000 names were added to its list, and by the close of the year 1881 it had a membership of 85,856.<sup>3</sup> As a political organization it now became a power to be reckoned with. At the annual encampment in 1881, held in Indianapolis, a committee was appointed "to inquire into the examination and settlement of pension claims,

<sup>1</sup> *Proceedings of First National Convention of G. A. R.*, 1866. p. 9.

<sup>2</sup> *Proceedings of Twelfth Annual Encampment of G. A. R.* 1878. p. 521-522.

<sup>3</sup> *Adjutant-General's Report: G. A. R. Proceedings.* 1882. p. 911.

and to ascertain the cause for delay." The Grand Army now meant business. At the next national encampment, which met in Baltimore, Corporal James Tanner, of whom we shall hear much in later pension history, submitted their report. He announced that the members of the committee had met in Washington on February 20, 1882, and continued in session for three days. Commissioner Dudley had been in conference with them, and favored "us with a most complete review of the condition of affairs in Pension Office and the workings thereof."<sup>4</sup>

The committee had made eight recommendations to Congress, and reported the following results:

- 1st. "That the present force—742—of the Pension Office be doubled. This recommendation resulted in Congress providing for *eight hundred and seventeen additional clerks* in the Pension Office.
- 2nd. An increase in the clerical force employed on pension work in the office of the Adjutant-General, and of the Surgeon, U. S. Army, respectively.  
Endorsed by Congress providing for the employment of *one hundred and sixty-seven* additional clerks in the Adjutant-General's office, and *one hundred and sixty-six* in the office of the Surgeon General. It also resulted in the providing of *twelve* additional clerks in the office of the Secretary of War, *eight* in the Second Comptroller's office, *twenty* in the office of the Third Auditor, making a total of *twelve hundred and ten* additional employees to be engaged exclusively in Pension work at a total annual expense of *one million, seven hundred and forty-two thousand, four hundred and thirty dollars*.
- 3rd. Additional appropriations to enable the Commissioner of Pensions to establish and pay examining boards of surgeons at such places as he deems necessary, and this had been met by a separate bill now on its passage.
- 4th. Appropriation to enable the Commissioner to employ additional special examiners; *two hundred and fifty* have been provided for.

<sup>4</sup> *Proceedings of Sixteenth Annual Encampment of G. A. R. 1882.* p. 872.



- 5th. The Commissioner of Pensions to have power to employ, and appropriations to pay, medical experts for special examinations as to diseases of the eye, ear, nerves, etc. This is provided for in the bill establishing boards of examining surgeons referred to in recommendation in No. 3.
- 6th. Such legislation as may be necessary to secure to pension claimants or their attorneys certified copies of so much of the public or official records as relate to the service and military and hospital history of said claimants.  
Upon this recommendation no action appears to have been taken.
- 7th. That false testimony against a claimant for pensions be made perjury as when given against the Government. This recommendation has been formally considered and will doubtless become a law.
- 8th. That the bill granting *forty dollars* per month for the loss of one leg, or one arm, or one foot, or one hand, or for an equivalent disability, become a law. This bill has passed the House of Representatives, and is now in the Senate Committee on Pensions.”<sup>6</sup>

No other organization in the country could boast of so much favorable legislation as that reported by the pension committee of the Grand Army of the Republic. Within one year after its creation, it had become the real power of that body. As a means for influencing doubtful members of Congress, it had no equal. In the report just mentioned, the committee did not stop with the mere request, but *demand*ed “that Congress should first and foremost take such steps, regardless of the question of dollars and cents, as would result in the speediest possible settlement” of the 285,000 claims then on file. “It is the first time,” continues the report, “that the accredited representatives of our order have come directly in contact with the law-making power. Common justice demands that we should officially state the obligations we feel under for the cordial reception we met with at the hands of the Pension Committees of

<sup>6</sup> *Ibid.* pp. 873-874.

both Houses.”<sup>6</sup> It was freely stated by them that they had long felt the desirability of dealing directly with the accredited representatives of the soldier.

The committee had been so successful in its first appearance before Congress, that the Grand Army decided to establish a permanent standing committee on pensions. Henceforth, this was to be the great machine in that organization for the prosecution of pension claims. Its object was to take charge of all questions relating to soldiers’ applications and outline policies which it felt would be best suited for securing favorable legislation. From the bills proposed in Congress, they selected those upon which they desired favorable action, and what is still more significant, they soon began to formulate measures of their own and demanded their enactment.

By 1884 no other department of the Grand Army organization was doing such effective work. None but the most active and prominent members were appointed to serve on this committee. For the year just mentioned, the membership consisted of Messrs. George S. Merrill, Louis Wagner, Paul Van Der Voort, James Tanner, and Hon. Charles H. Grosvenor.<sup>7</sup> The first three had held the exalted position of Commander-in-Chief of the national organization. Corporal Tanner’s activity was universally recognized, and he was later to be honored by being appointed Commissioner of Pensions. Mr. Grosvenor was perhaps the most devoted friend the ex-soldiers had in national politics, and was hailed as “the fearless, zealous, and active champion of their rights.”<sup>8</sup>

Shortly after Congress assembled in December, 1883, this committee established itself in Washington. Before proceeding with their labors, they consulted “with members of the several pension committees, with prominent senators and representatives, including a number of efficient and influential comrades, . . . Throughout, we had the advice and the cordial cooperation of the Commissioner of Pensions.”<sup>9</sup> The committee found that nearly one hundred bills

<sup>6</sup> *Ibid.* p. 874.

<sup>7</sup> *Journal of Eighteenth National Encampment of G. A. R.* 1884. p. 107.

<sup>8</sup> *National Tribune.* June 19, 1884.

<sup>9</sup> *Journal of Eighteenth National Encampment of G. A. R.* 1884. p. 105.

relating to pensions had been introduced in Congress. Several sessions were held, in which the different measures were carefully considered. After informing Congress of the fact that they represented a constituency of more than 220,000 veteran soldiers and sailors, the committee then specified the bills they desired to have passed. The following were the chief measures which they recommended:

Extension of the limitation on the Arrears Act to January 1, 1885.

The granting of pensions to ex-prisoners of war who were suffering from disability.

An increase of the widows' pensions from eight to twelve dollars a month. Also an increase of pensions for minors.

An increase of rates for specific disabilities in certain enumerated cases.

And finally, they desired the passage of a bill fixing the qualification and status of claimants and their agents or attorneys.<sup>10</sup>

In concluding their report we find these words: "We beg leave to respectfully submit that if any one thinks the foregoing carefully considered requests make too large drafts on the resources of the country, that we represent a body of men on whom, in the hour of its direst extremity, the country made drafts of blood, of limbs, suffering and life, and the Nation's draft never went to protest."<sup>11</sup>

These recommendations were submitted to Congress on March 11, 1884. The *National Tribune*, which had now become the chief organ of the Grand Army of the Republic, entered upon an active campaign to have the measures passed. Its Editor-in-Chief, Mr. George E. Lemon, had assisted the committee in preparing the bills, and was materially interested in their enactment. Ex-soldiers all over the country were called upon to write personal letters to their senators and congressmen, insisting that they be adopted. The same request was made of the Grand Army Posts. In an editorial of March 20, 1884, the *National*

<sup>10</sup> *Ibid.* pp. 106-107.

<sup>11</sup> *Ibid.* p. 107.

*Tribune* stated: "The only reason for apprehension that now exists is the possibility that our comrades may fail to rally as they should to the support of the committee's recommendations. These recommendations, coming from such a source, cannot but have great weight with both Houses of Congress and both political parties, but they must be followed up by a hearty, united and enthusiastic appeal from our ex-soldiers generally for their adoption. Every veteran, whether a member of the Grand Army or not, who believes that the measures advocated by the Pension Committee of the Grand Army are just and calculated to benefit the soldier, should hasten to demand of his Senator or Representative his vote in their favor."<sup>12</sup>

In almost every issue from that date until Congress adjourned, an editorial appeared in behalf of the measures. Under date of May 7, it was announced that if Congress failed to do its duty by the ex-soldiers during the present session, it would not be because of any ignorance as to what that duty was. Petitions were pouring in by the hundreds, demanding favorable action upon the committee's recommendations. On May 6, 1884, Mr. Robert B. Beath, Commander-in-Chief of the national organization, issued an order (No. 12) in which he requested all Posts that had not yet sent in petitions to do so at once.<sup>13</sup> An examination of the *Congressional Record* for this session shows that such action was taken by more than five hundred Grand Army Posts. Even the legislatures of three states, Iowa, New York, and Ohio, sent petitions to the same effect.

But in spite of all these efforts, the first session of the Forty-eighth Congress adjourned, having passed but one important measure. There were several reasons for this. In the first place, its membership was comprised very largely of ex-Confederates, men who had recently been in armed rebellion against the national Government. Quite naturally they would be opposed to any further liberalization of the pension laws in behalf of the Union soldiers. Under caption of an editorial headed, "The Confederacy in the Saddle", appearing in the *National Tribune* on July 17, 1884, it stated:

<sup>12</sup> *National Tribune*. Mar. 20, 1884.

<sup>13</sup> *Ibid.* May 8, 1884.

"A Congress largely made up of men who were lately in arms against the Government, and the lower House of which was completely under their control, has lately concluded a singularly fruitless session of seven months." After denouncing the southern members of Congress for not lending their support to the pension measures, it concluded with the statement that the last hope of the Union soldier, his widow, and orphan, had been dispelled by the action of those men who had fought against them in the field.<sup>14</sup>

Another reason given for the failure of Congress to adopt the recommendations of the Grand Army Pension Committee was the fact that many Posts demanded consideration of measures entirely different from those which had been submitted. The National Encampment had tried hard to prevent this independent action, but was unable to suppress it. Disappointment was felt in many quarters because the committee had not included more demands in its report, and hence the separate organizations began to petition for laws satisfactory to their own members. This led to the preparation of a great number of bills, many of which were utterly contradictory in their nature. In commenting on this situation, the *New York Sun* remarked: "The accumulated pension schemes now before Congress have assumed the proportions of legislative insanity. Congress is considering with feverish earnestness projects which, had they not reached their present dimensions by insensible graduations, would be regarded as the chimeras of madmen. . . . Intelligent members of Congress should pause and consider whither they are drifting."<sup>15</sup>

In face of all the different requests made upon it, Congress was more or less undecided as to just what measures the majority of ex-soldiers really desired. At least, such lack of harmony afforded a good excuse for casting a negative vote by those senators and representatives who were opposed to more liberal pension laws. This failure on the part of the local Grand Army Posts to accept the recommendations of their committee, and support them to the exclusion of all other measures, brought forth a severe rebuke from its chairman, Corporal Tanner. In commenting upon their

<sup>14</sup> *Ibid.* July 17, 1884.

<sup>15</sup> *N. Y. Sun*, June 26, 1884.

action he stated, "We firmly believe that but for the attacks made upon the work of your committee by those who, with less opportunity of knowing what could fairly be hoped for in pension legislation by united action (but for this), we believe that substantially all that was recommended by your Committee would have become law at the session of Congress last closed, and, before the summer's sunshine had gone, a brighter, more lasting and blessed sunshine have lighted the hearthstones of a hundred thousand veterans' homes where now is want and almost black despair."<sup>16</sup>

There was still another reason why this session of Congress was unwilling to extend the pension laws, and that was the desire on the part of certain members, particularly the Democrats, to present a record for economy in the coming campaign. The Republicans, especially the high protectionists, would have been glad to increase the pension budget in order to drain out some of the surplus that was accumulating in the national Treasury. While the interests of the high tariff men and the pensioners did not become completely merged until a few years later, they were joining hands even before Cleveland's administration. Pensioners and ex-soldiers were repeatedly warned through the columns of the *National Tribune* not to allow their congressmen to vote for any reduction in the tariff. For it was felt that just as soon as the surplus began to disappear, the appropriations for pensions would be diminished. The following editorial appeared in the *National Tribune* on January 24, 1884:

#### "The Danger of the Hour"

"In the midst of their discussions as to the merits of the various pension and bounty measures now pending before Congress, there is one thing that our veterans should keep constantly in mind, namely, the danger that the present revenues of the Government will be so reduced by legislative action as to leave no surplus in the Treasury out of which the amount required for the carrying out of any of these new pension and bounty measures can be appropriated. That danger is real and perhaps imminent, and it becomes our ex-soldiers to exercise their utmost influence to avert it. It matters not what their politics may be, or whether they are believers in the doctrine of free trade or protection, they have a common interest in preventing this

<sup>16</sup> *Journal of National Encampment of G. A. R.* 1884. p. 110.

reduction, since it would afford an excuse, if not a justification, for a refusal by Congress to further consider our claims upon it."<sup>17</sup>

In the Presidential campaign of 1884, however, the Democrats were determined to present a record for economy. Many of them felt that the pension roll had already become unduly expensive, and expressed some anxiety as to its future growth. Mr. Hancock, of Texas, remarked, "We are now expending for pensions alone more than double as much annually as was necessarily expended by the general Government from 1840 to 1850, and it is difficult to say where it is to stop when it is looked upon as a powerful lever by many members of the House to secure a succession to their seats upon this floor."<sup>18</sup> Unwilling to bear the brunt of an extravagant expenditure of money, the Democrats prevented any increase in the pension budget for 1885.

It is interesting to note that the only important pension law passed by this session of Congress, happened to be one that was opposed by the Grand Army Pension Committee. By its provisions, the fee which claim agents were permitted to charge for the successful prosecution of claims, was increased from ten dollars to twenty-five dollars.<sup>19</sup> It was tacked on to the bill carrying appropriations for pensions, and the two parties who were most vitally interested in the measure were Commissioner Dudley and the big Washington claim agent, Mr. George E. Lemon. The action of Mr. Lemon was such as to attract the attention of Congress, and shortly after convening in December, 1884, the Committee on Pensions and Bounty Land was ordered to make an investigation of the practices in the Pension Office, and "the conditions surrounding the enactment of certain pension laws."<sup>20</sup> The testimony that was produced in the hearing before this committee reveals the tremendous power that was exerted by Washington claim agents, and by Mr. Lemon in particular. The influence of the latter firm seems almost incredible.

Attention has already been called to the act of June 20, 1878, whereby claim agents were allowed to charge only ten dollars for prosecuting pension claims. The fee, however,

<sup>17</sup> *National Tribune*. Jan. 24, 1884.

<sup>18</sup> *Cong. Record*. 48th Cong. 2nd sess. p. 487.

<sup>19</sup> *U. S. Statutes at Large*, vol. 15, p. 99.

<sup>20</sup> *House Reports*. 48th Cong. 2nd sess. vol. 3. No. 2683.

could be collected before the claim was allowed, and if not able to collect the full amount, the agents would take half of it, or whatever sum they could induce the applicant to pay. The act, instead of meeting with success, has led to very serious abuses. Claim agents would frequently collect the ten dollars, or as much of it as they could, and then drop the case without ever filing it. The claimant upon hearing that his case had been dropped would then turn to his representative for assistance. This imposed still greater work upon the members of Congress. And it was frequently discovered, when the case was examined, that the applicant had been robbed, not once, but several times.<sup>21</sup>

However, the majority of claimants appear to have been satisfied with the law. It was the Washington claim agents, and particularly Mr. Lemon, who was responsible for its repeal. Mr. Lemon's firm was by far the largest corporation in Washington during the eighties. For almost twenty years, he had been engaged in the pension business. It was he who had founded the *National Tribune*, the great soldier newspaper, in 1877. Within seven years he had increased its circulation to over 112,000 paid subscribers, a circulation which he claimed was hardly equalled by another weekly paper in the country.<sup>22</sup> In 1884, his firm was handling upwards of 125,000 pension claims, more than all other attorneys in Washington combined.<sup>23</sup> For conducting this enormous business, he employed between sixty-five and seventy clerks, a force as large as that employed in the entire Pension Bureau in 1861.

In all questions of pension legislation, Mr. Lemon exerted a great influence. He boasted of having defeated the "Sixty-Surgeon Pension Bill," which Commissioner Bentley had proposed during his administration, and declared that it had given him greater pride than any other act of his life.<sup>24</sup> He had been unable to prevent the adoption of the ten-dollar fee law in 1878, but after Commissioner Dudley took over the administration of the office in 1881, Mr. Lemon set about to have it repealed. His intimate acquaintance with

<sup>21</sup> Statements of Messrs. Rogers, (Ark.) and Warner (Ohio). *Cong. Record*. 48th Cong. 1st sess. p. 2886.

<sup>22</sup> *National Tribune*. July 10, 1884.

<sup>23</sup> *House Reports*. 48th Cong. 2nd sess. vol. 3, No. 2683. p. 14.

<sup>24</sup> *Ibid.* p. 160.



the new Commissioner and with Secretary of Interior Teller, was used to a good advantage. In the spring and summer of 1884, he concentrated his efforts upon these two officials, and secured their approval for the reenactment of the law, allowing a fee of twenty-five dollars for prosecuting pension claims.<sup>25</sup> No part of the fee, however, could be collected until the claim had been allowed and the first payment made.

Concerning this feature of the bill, there was no ground for criticism. The objection lay in the fact, that when the measure finally passed, it was allowed to become retroactive. As originally intended, the twenty-five dollar fee was to be collected only upon those claims filed after the date of the passage of this act. This was stipulated in the bill as it passed the House.<sup>26</sup> But in the Senate this provision was omitted, and it was allowed to apply to all cases then on file.<sup>27</sup> Herein is where Mr. Lemon's influence had been felt. None of the other Washington claim agents, and in fact very few members of Congress, appear to have understood the significance of the provision. Mr. Warner, chairman of the investigating committee, stated that the measure received no consideration in either House, but that the claim agent who prepared the amendment—referring to Mr. Lemon—knew exactly what it would accomplish.<sup>28</sup>

Just a few days before the passage of the bill, while it was still being considered by the joint committee of conference, Mr. Lemon completed all arrangements for buying out the claims of another large pension firm, headed by Mr. N. W. Fitzgerald.<sup>29</sup> In this transaction, he secured upwards of 40,000 additional pension claims, and the ownership of the *Citizen World*, a soldier newspaper that had a circulation among 20,000 paid subscribers. The total business was obtained for \$10,000. The same day on which the deal was closed, June 26, 1884, the conference committee reported favorably upon the bill. Mr. Fitzgerald, who had been suspended by Commissioner Dudley in October, 1883, was suddenly reinstated in order that his claims might be transferred to Mr. Lemon.<sup>30</sup> On the day following the transfer of his

<sup>25</sup> *Ibid.* pp. 16, 99.

<sup>26</sup> *Cong. Record.* 48th Cong. 1st sess. p. 3402.

<sup>27</sup> *Ibid.* p. 6389.

<sup>28</sup> *House Reports.* 48th Cong. 2nd sess. vol. 3. No. 2683, p. 21.

<sup>29</sup> *Ibid.* p. 29.

<sup>30</sup> Testimony of Ass't Sec. of Interior, L. M. Joslyn. *Ibid.* p. 60.

claims to Mr. Lemon's office, Mr. Fitzgerald discovered for the first time that the provision allowing the increased fee, had been approved by both Houses. He then declared that he went to Mr. Lemon and tried to repurchase his business, offering him his money back and \$20,000 in cash. Mr. Lemon's reply was—"You don't know what you are talking about. Your business has not cost me only the \$8,000 (\$10,000) I paid you; it has cost me \$50,000 to get the bill through Congress."<sup>31</sup> (This part of the testimony was flatly contradicted by Mr. Lemon. He admitted, however, that Mr. Fitzgerald had come to him and tried to repurchase the business.)

By the purchase, Mr. Lemon had secured upwards of 30,000 live claims, and due to a ruling of Acting Commissioner Clarke he could compel the applicants to file a new contract and collect the full amount of twenty-five dollars. The same day upon which the deal was made, Mr. Lemon secured an executive order (No. 100) from Secretary of Interior Teller, in which he alone was to be recognized as the substitute attorney for all claims that had been filed with Mr. Fitzgerald.<sup>32</sup> This was rather a strange move on the part of Mr. Teller. According to an order issued under date of April 22, 1882, no substitution of attorneys could be made unless the written consent of the applicant was obtained. But this was now suddenly revoked, and some 30,000 claimants were thrown upon the mercy of Mr. Lemon.

That the act of July 4, 1884, was virtually the work of one claim agent cannot be doubted. It compelled claimants to file a new contract, and pay fifteen dollars more, in case the claim was allowed, than they had agreed to pay originally. In discussing this feature of the bill during the next session of Congress, Mr. Warner, chairman of the Committee on Pensions, characterized it as one of the grossest abuses ever practiced upon pension claimants. He stated that within six months after the passage of the law, over 90,000 such contracts had been filed. These were old claims upon which certain payments had been made, but under the new law, were forced to file a new contract of \$25 each. "In my opinion", he remarked, "piracy in the middle ages on honest

<sup>31</sup> *Ibid.* p. 30.

<sup>32</sup> *Ibid.* p. 41.

commerce was an honest calling compared to such a practice."<sup>22</sup> Had the act been made to apply only to those claims filed after the date of its passage, there could have been little ground for criticism. In this case it would have been a protection both to the claimant and the honest pension attorneys, for since no part of the fee could be collected until the pension was allowed, it would have resulted in the filing of only the more honest claims. It was the retroactive feature of the law that opened the way to serious abuses. And for this provision, Mr. Lemon was largely, if not entirely, responsible.

Not satisfied with the treatment received at the hands of the Forty-eighth Congress, the ex-soldiers started out in 1884 to capture the next session, and also the presidency. Again the *National Tribune* was their chief spokesman. They apparently had not yet learned of the part Mr. Lemon had played in securing the adoption of the increased fee law, and hence were still willing to follow his suggestion in the campaign of that year.

As early as February 28, 1884, the following editorial appeared in the columns of the *National Tribune*:

"The Soldier's Year—Let us Have a Soldier President."

"This is the soldier's year. Slandered, abused, neglected, despised though he be at all other times and seasons, this year the soldier cannot be ignored. For it is the year of a presidential election, and it is the soldier who holds the balance of power—one million honest unimpeachable votes, upon the casting of which the issues of the election will hang. Think of it, soldiers! . . .

"Prove yourselves equal to the occasion! Within the next four months both political parties will hold their nominating conventions at Chicago. It rests with you to say who shall be the delegates to those conventions. It matters not whether in national politics you are Republicans or Democrats; as soldiers it is your duty to exert your influence within party lines for the nomination of a soldier. . . .

"We are not so helpless or friendless as some may believe. There is not a community in the whole North and West where we cannot make our influence felt if we but show our colors and sound the advance. Every patriotic citizen in the land will rally to our standard, and the politicians who now affect to believe that the soldier is 'played out' will be only too glad to fall in at the tail end of the procession.

<sup>22</sup> *Cong. Record*. 48th Cong. 2nd sess. p. 487.

"Fall in then, soldiers, and let us all take a hand in the campaign. We shall not lack for leaders when the time comes, and the day that witnesses the assertion of the soldiers' influence at Chicago will assure to us the full recognition of our rights by Congress and the Executive."<sup>34</sup>

Editorials of a similar nature appeared in almost every issue of the *National Tribune* from that date up until the two conventions met in Chicago. Soldiers were constantly reminded of the strength they could wield if only they stood together. The evenly balanced conditions of the two great political parties offered a splendid opportunity for them to exert their influence, and perhaps cast the deciding vote. Under date of April 10, 1884, the *National Tribune* recommended that, this being the "Soldier's Year," each of the big parties should nominate a soldier for president. While it was admitted that ex-Governor Tilden, Grover Cleveland, and Senator Payne were perhaps the strongest men in the Democratic party, yet they should be passed over, and the Democrats should turn to the famous General W. S. Rosecrans. As to the Republicans, they should overlook Mr. Blaine and Senator Edmunds, and nominate General John A. Logan to lead them to victory.<sup>35</sup>

When the Republican convention met and named General Logan for second place upon their ticket instead of first, the soldiers were somewhat disappointed. However, they accepted the results as the best possible combination. The fact that General Logan had won the nomination for Vice-President over Postmaster-General Gresham, who was considered an enemy of the pensioners, had given them great hopes. In presenting his name to the Convention, Senator Plumb of Kansas remarked that 70,000 soldiers upon the prairies of Kansas stood ready to endorse him, and that a million living veterans would rally to his support.<sup>36</sup> In commenting upon the nominations, the *National Tribune* stated, "The names of James G. Blaine and John A. Logan appear in this happy conjunction to-day because our ex-soldiers have brought it about. It was their influence which dominated at Chicago, and when they foresaw that there

<sup>34</sup> *National Tribune*. Feb. 28, 1884.

<sup>35</sup> *Ibid.* Apr. 10, 1884.

<sup>36</sup> *Proceedings of Republican National Convention*. Chicago, 1884. p. 169.

was but one combination which would prevent the nomination of candidates whose lukewarmness in their cause was not longer a matter of question, they hesitated no longer, but enthusiastically agreed upon this alliance of statesman with a statesman who was also a soldier."<sup>37</sup>

When the Democratic Convention met a few weeks later and placed the names of Grover Cleveland and Mr. Hendricks upon their national ticket instead of such veterans as Generals Rosecrans, Black, or Hancock, the pensioners and ex-soldiers were sorely disappointed. The *National Tribune* at once urged upon them, regardless of their political faith, to support the ticket headed by Blaine and Logan.

There was a much stronger reason, however, why they should support the Republican party in that campaign. This was due to the plank in their platform relating to pensions. It read as follows: "The grateful thanks of the American people are due to the Union soldier of the late war, and the Republican party stands pledged to suitable pensions to all who were disabled, and for the orphans and widows of those who died in the war. The Republican party pledges itself to the repeal of the limitation contained in the arrears act of 1879, so that all invalid soldiers shall share alike, and their pension shall begin with the date of disability or discharge, and not with the date of application."<sup>38</sup>

Contrasted to this specific pledge was the very indefinite statement found in the Democratic platform. "The system of direct taxation known as the 'Internal Revenue' is a war tax, and so long as the war continues, the money derived therefrom should be sacredly devoted to the relief of the people from the remaining burdens of war, and be made a fund to defray the expense of the care and comfort of worthy soldiers disabled in the line of duty in the wars of the Republic and for the payment of such pensions as Congress may from time to time grant to such soldiers, a like fund for the sailors having been already provided; and any surplus should be paid into the Treasury."<sup>39</sup>

This plank was characterized as an empty promise. The attention of pensioners and ex-soldiers was called to the fact

<sup>37</sup> *National Tribune*. June 12, 1884.

<sup>38</sup> *Proceedings of Republican National Convention*. Chicago, 1884. p. 93.

<sup>39</sup> *Proceedings of Democratic National Convention*. Chicago, 1884. p. 198.

that another plank in the same platform declared that the existence of a hundred million dollar surplus in the national treasury proved the necessity for a change in administration. Hence the refusal on the part of Democrats during the last session of Congress to devote that surplus to the payment of pensions was considered as a notorious example of bad faith. "The real intent (of the Democrats) is clearly to so cut down the revenues of the Government that there will be no surplus out of which to meet the payments required by new pension legislation, and vice versa, to pass no new pension laws, so as to have an excuse for abolishing the internal revenue entirely."<sup>40</sup> Pension claimants were warned, from that date until the November elections, that if they expected to enjoy more liberal treatment in the future, they should, regardless of political affiliation, cast their votes for the Republican party.

It was in the midst of this uncertain campaign that Commissioner Dudley decided to abandon his work in Washington and enter the field in behalf of the Republican ticket. For this work he was eminently qualified. His activity in the campaign of 1880 had brought him to the attention of the Republican national leaders, and President Garfield had been forced to give him a position. Commenting upon his appointment, the *New York Nation* declared that it was the most inexcusable act of President Garfield's short administration, and one which did much to shake the confidence of the friends of civil-service reform.

" . . . when Garfield came into office, Mr. Bentley was Commissioner of Pensions. He had administered the office in a time of great perplexity, with remarkable energy and efficiency, and with unimpeachable integrity. But his place was wanted for Colonel Dudley, who had been of great service in the Indiana campaign. The President held out for a few weeks, but finally succumbed, and about the middle of June, 1881, he requested Mr. Bentley's resignation. What the mysterious 'pressure' behind Garfield was it is not difficult to conjecture. . . ."<sup>41</sup>

Of all government officials who have been guilty of pros-

<sup>40</sup> *National Tribune*. July 17, 1884.

<sup>41</sup> *N. Y. Nation*. Oct. 2, 1884.

tituting their offices to purely political purposes, none can show a more notorious record, either in the method of organization or in scope of work, than that established by Colonel W. W. Dudley. During the three and a half years in which he was Commissioner of Pensions, his one aim appears to have been that of building up a great political machine. He realized more keenly than any previous Commissioner, the enormous power that lay in the hands of the pensioners, if only it could be effectively organized. To this end he devoted all his personal interests, as well as those of the Bureau over which he presided.

One of the first recommendations made by Mr. Dudley after he became Commissioner of Pensions, was that of asking Congress for a larger clerical force, in order that all pending claims might be at once disposed of. This request being granted—by an appropriation that enabled him to more than double the number of clerks—he next asked that boards of examining surgeons be appointed in the different sections of the country, for the convenience of pension applicants. Again Congress responded to his request; and the pensioners began to feel that at last they had secured the services of a real friend.

His next step was of much greater significance. In his annual report for 1882, Commissioner Dudley stated: "In my opinion, there is no question so befogged in mystery, and needing so much and more complete knowledge of its detail, than what may be termed the possibilities of the future with regard to the pension business."<sup>42</sup> In order that he might determine "the possibilities of the future", he directed the clerks of the Bureau carefully to prepare a statement showing the total number of enlistments in each regimental organization from every state and territory in the Union. The statement also showed the number of applications for pensions on account of the late war, both as to invalids and as to the representatives of deceased soldiers. •

The table when completed, contained some very interesting information. The grand total of individual enlistments in the army and navy during the war was given as 2,069,391. Of this number only 458,553, or 26 per cent, had applied for

<sup>42</sup> *Annual Report. Commissioner of Pensions, 1882.*

pensions. Also 297,566 dependents and relatives had filed applications for pensions. The number of *living* soldiers and sailors who had not yet applied was estimated at 1,000,469; and 86,803 pensionable relatives had not yet presented their claims.<sup>43</sup> In submitting the results of his investigation, Commissioner Dudley announced that some idea could now be formed as to what still remained to be done, and as to what might be expected in the future.

It is interesting to note that of the 285,000 pensioners borne upon the rolls, more than two-fifths of them lived in the five states of Illinois, Indiana, New York, Ohio, and Pennsylvania. And over one-half of the 300,000 claims then pending came from these same five states. The political results in these doubtful states were to be determined largely by the treatment accorded to the pensioners who resided therein. Of this Commissioner Dudley was keenly aware, and during the next eighteen months he devoted considerable attention to their demands.

The most effective way in which thousands of claimants could be aided, was to furnish them a list of their company officers and comrades, whose testimony was needed to establish their case. For years, applicants had been complaining that their inability to locate the name and address of certain comrades was all that prevented them from securing a pension. This was doubtless true in a great number of cases. To assist them Commissioner Dudley decided to compile a directory, showing the names and post-office addresses of every surviving soldier of the late war. In this important undertaking he secured the aid of the Grand Army of the Republic. In March, 1884, he called upon General Robert B. Beath, commander-in-chief of that organization, and with his assistance, a plan was adopted whereby they hoped to secure a list of all G. A. R. posts and the address of every member throughout the country.<sup>44</sup>

In addition to this, the special examiners were ordered to keep a record of all the witnesses they met with in the examination of cases. From these two sources, Commissioner Dudley hoped to be able to furnish each claimant the ad-

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<sup>43</sup> *Ibid.*

<sup>44</sup> *Journal of Eighteenth National Encampment of G. A. R.* 1884. p. 33.



dressess of all those comrades whose testimony was needed to establish a claim. During the first six months after the plan was put in operation, the names and addresses of 189,000 members were secured.<sup>45</sup> It was expected that the number would reach approximately 700,000 by January 1, 1885. But since Commissioner Dudley was removed before he had an opportunity of submitting another report, it is not known what the results of the system were. Under the new Commissioner, General J. C. Black, the plan was apparently dropped, since no record can be found of its use.

All the above plans were only preliminary to the great work Mr. Dudley was to perform in the campaign of 1884. Having lost the nomination for governor of Indiana on the Republican ticket, he started out to secure a more important position. It was generally understood that in case of Mr. Blaine's election, he was to appoint Mr. Dudley as Secretary of Interior; and hence the latter felt called upon to see that his party was successful in the campaign of that year. To this end, he decided to use every means at his disposal. The Pension Bureau became simply a political machine, whose object was to secure votes for the Republican ticket.

Early in September, 1884, Commissioner Dudley left his work in Washington and went to Ohio in order to help conduct the campaign that was then in progress. Since the Ohio election was held on October 14, three weeks before the general election, it attracted national attention. Both political parties were bending every effort to win this first important contest. Sentiment there was about equally divided. While the Democrats controlled a majority of the members of Congress, 13 out of 21, yet the state had given President Garfield a plurality of 34,000 votes in 1880. What the outcome of the present campaign would be, it was difficult to determine. But the party that had the support of the soldier vote was certain of victory.

To win this support was Colonel Dudley's mission. In 1884, there were over 29,000 pensioners living in Ohio. They received from the national Government a total annual sum of more than \$5,300,000. Upwards of 40,000 claims from this same state were then on file in the Bureau, awaiting

<sup>45</sup> *Annual Report, Commissioner of Pensions. 1884.*

settlement. The political influence of these and other pension claimants was sufficient to throw the election into the hands of whatever party they desired. In all probability not more than forty per cent of these claims would ever be allowed. But in order that none of the applicants should take offense at the Republican administration, the clerks in the Pension Bureau were instructed to reject no more claims until after the election.<sup>46</sup> Not only this, but the charge was also made that Commissioner Dudley had ordered the claims of those voters who lived in Ohio and Indiana to be taken up in advance of those coming from other states, and to be given a preference in their examination.<sup>47</sup> The records fail to show to what extent this practice was engaged in during the weeks immediately preceding the election. But it is discovered from the annual reports for 1885, that approximately 2,000 claims had been allowed in Ohio, and over 3,000 in Indiana, during the last fiscal year. This number exceeded by fifteen hundred, the claims that had been allowed in these two states during 1883-1884.<sup>48</sup>

Commissioner Dudley's chief work, however, was not that of promiscuously handing out pension claims. This he would have been unable to do, even had he so desired, for each case had to go through a definite procedure in the Bureau before it could be allowed. What he was primarily interested in, was that of managing the campaign so as to insure a Republican victory. To this end he used all the influence of his official position. Instead of resigning from office when he left Washington in September, 1884, he simply took "a leave of absence" and continued to draw his salary as Commissioner of Pensions up until November 10, one week after the general election.<sup>49</sup> And during this period of two months he was reported to have been in Washington but twice.

Upon reaching Ohio, Mr. Dudley established his headquarters in Columbus, and entered upon his work. He, in connection with Mr. Chauncy I. Filley of St. Louis, and Mr. Powell Clayton of Arkansas, took personal charge of

<sup>46</sup> This was the testimony of six different witnesses who appeared before the House Committee on Investigation of the Pension Office. *House Report*. 48th Cong. 2nd sess. vol. 3, No. 2683. pp. 32, 35, 38, 42, 43, 46.

<sup>47</sup> *Ibid.* p. 70.

<sup>48</sup> *Annual Reports*. 1882; 1884; 1885.

<sup>49</sup> *House Report*. 48th Cong. 2nd sess. vol. 3. No. 2683. p. 242, 262.

the campaign. Commissioner Dudley ordered men at will from the Pension Bureau to come and assist in the contest.<sup>80</sup> Special examiners were ordered to report for duty wherever he felt their influence was most needed. His conduct became so notorious that friends of honest government throughout the country began to protest, and President Arthur was called upon to dismiss him. On October 11, Mr. Everett P. Wheeler, counsel for the Civil Service Reform Association in New York, addressed a letter to the President in which he called attention to the fact that Commissioner Dudley was absent from his post, "and engaged in conducting the canvass of the Republican party in Ohio to the entire neglect of his official duties."<sup>81</sup> President Arthur acknowledged receipt of the letter, but refused to take action upon the matter until the case was investigated by the Secretary of Interior. This was a great disappointment to the friends of the Civil Service system. The *New York Herald* stated:

"This will not do, Mr. Arthur. The facts are notorious—as notorious as the dates of an almanac in a court of law. You know of Mr. Dudley's absence from Washington. You know the cause of his absence. You know what he has been doing in Ohio. You know of his impudent boast that you dare not interrupt him till he gets through. You know of his intended passage from Ohio into Indiana, to repeat the same dirty work there for Mr. Blaine. You know too, that the "red tape" circumambient course on which you have sent the letter through the Interior Department will not bring it back to you till after the November election, and that in the meanwhile Commissioner Dudley will remain in Indiana perpetrating his villainies unless you take a prompter step to recall him or remove him."<sup>82</sup>

The editorial closed with the statement that President Arthur could not go out of office with a clean reputation of having faithfully enforced the civil service laws, if he allowed a delayed report on Mr. Dudley's case.

The *New York Nation* also took up the attack upon Mr. Dudley's conduct in Ohio. Under date of October 16, it stated: "A more flagrant abuse of official power and more gross violation of civil service rules could not be committed than Mr. Dudley is guilty of. He is drawing a salary as an officer of the Government, yet he is using the whole power

<sup>80</sup> *Ibid.* p. 38, 56, 186.

<sup>81</sup> *Ibid.* p. 70.

<sup>82</sup> *N. Y. Herald.* Oct. 18, 1884.

of his office, not merely as a campaign speaker and worker, but as a direct bribe for votes. As head of the Pension Bureau, he promises every soldier who has an adjudicated claim against the Government that if he will vote for Blaine his claim will be given a preference."<sup>53</sup>

A number of special pension examiners soon followed Mr. Dudley into Ohio. Their ostensible purpose in going there was to investigate certain claims upon which the Bureau desired additional information. But their real motive was that of assisting their chief in conducting the campaign. The Pension Bureau served as a recruiting station from which the Republican party drew its lieutenants. Mr. J. R. Cook, one of the examiners in the Office, was appointed chief clerk of the Republican Congressional Committee during the campaign of 1884.<sup>54</sup> Mr. E. G. Rathbone, chief of the Special Examiner's Division, was sent to Cincinnati in October, in order to "spot repeaters" sent in by the Democratic party. Mr. W. T. Ford, chief of the Record Division, was sent there to assist him.

During the week preceding the election, Mr. Rathbone had 66 special pension examiners with him in Cincinnati alone, many of whom were deputized to act as United States marshals on election day. The number of examiners ordinarily assigned to the state of Ohio was 63, but during September and October, 101 reported there for duty.<sup>55</sup> That they exerted a tremendous influence upon the soldier vote is evidenced by the testimony of numerous witnesses. One illustration is furnished by the case of Mr. George Starkey, of Washington County, Ohio. He had applied for a pension in 1877, but due to insufficient evidence, had not been able to establish his claim. During all this time, the special examiners had refused to act upon his case. But on October 11, 1884, two days before the general election, Mr. Winthrop, one of the many examiners in Ohio, appeared at the home of Mr. Starkey and made out three affidavits in his case, and then informed him of the fact that if he expected to have his pension granted he should support the Republican ticket.<sup>56</sup> Three other witnesses, all of whom were Democrats,

<sup>53</sup> *N. Y. Nation*. Oct. 16, 1884.

<sup>54</sup> *House Report*. 48th Cong. 2nd sess. vol. 3. No. 2683, p. 231.

<sup>55</sup> *Ibid.* p. 109.

<sup>56</sup> *Ibid.* pp. 5-6.

testified that the same appeal had been made to them. They declared that they had voted the Republican ticket with the express understanding that their pensions would be withheld in case they did otherwise.<sup>57</sup>

After conducting a campaign, which the *Indianapolis Journal* (Rep.) described as the most active and bitter canvass ever known in Ohio, the Republicans succeeded in carrying the state by 15,000 votes.<sup>58</sup> On the morning after the election, Commissioner Dudley expressed his delight in the following telegram which he sent to Mr. L. T. Michener, Secretary of the Republican State Committee: "From all reports I regard the state safe for the Republicans from 10,000 to 15,000. I can only say, thank God for the victory."<sup>59</sup>

The Republicans also gained two more seats in Congress. This gave them a representation of ten, while the Democrats had eleven. The two new districts which the Republicans had won from the Democrats were the First and Second, the plurality being 1609 in one, and only 209 in the other. A desperate effort had been made to defeat Mr. Warner (Dem.) of the seventeenth district, who was chairman of the investigating committee. During the month of October, nine special examiners had been at work on pension claims in his district, whereas the number ordinarily assigned there was only three.<sup>60</sup> Although Mr. Warner succeeded in being re-elected, his plurality was cut down from 901 votes (1882) to 226.<sup>61</sup>

On October 18, the Democratic State Committee in Ohio sent out the following address, explaining the methods by which the Republicans had carried the state:

"Dudley and The Corruption Fund"

"A million dollars, raised by wealthy stockjobbers and monopolists, was sent into the State. With it came the scum of the country, thieves, ex-detectives, repeaters and government officials, headed by W. W. Dudley, Chief of the Pension Bureau. Although thousands of widows, orphans and maimed soldiers have been waiting patiently for years for pensions promised them, and due from the government,

<sup>57</sup> *Ibid.* pp. 6-9.

<sup>58</sup> *Indianapolis Journal*. Oct. 15, 1884.

<sup>59</sup> *Ibid.*

<sup>60</sup> *House Reports*. 48th Cong.-2nd sess. vol. 3. No. 2683. p. 17, 270.

<sup>61</sup> *American Almanac*. 1885, p. 247.

large numbers of employees and special agents from the Pension Office, headed by their Chief, and nonresidents of Ohio spent four weeks in the State under government pay engaged in preparing for the fraud committed last Tuesday. . . ."<sup>82</sup>

After having completed his work in Ohio, Mr. Dudley returned to Washington for a brief visit. In referring to his plans for the future, the Washington correspondent for the *Indianapolis Journal* stated: "Colonel Dudley arrived (here) from Columbus at 3 o'clock this afternoon. He does not know just what part he will take in the remainder of the campaign. The first of next week he will go to New York, where he will meet the National Republican Committee. Then, it is believed, he will go to Indiana."<sup>83</sup>

The report was soon confirmed. Within less than a week Mr. Dudley was back in Indiana, doing everything in his power to insure a Republican victory. He had even a keener interest in the political affairs of that state than in those of Ohio. As a citizen of Indiana he had a wide acquaintance among pensioners and politicians. He had served through the Civil War as Colonel of the Nineteenth Regiment of Indiana volunteers, and had lost a leg at Gettysburg. As already noted (p. 105), his political activity in the campaign of 1880 had brought him to the attention of the Republican national leaders, and led to his appointment as Commissioner of Pensions. In this capacity, he used the tremendous influence of the Bureau to advance the interests of his friends and party.

There was one member of Congress from Indiana whom, above all others, Mr. Dudley was determined should be defeated for re-election. This was Mr. C. C. Matson, a Democrat, and chairman of the House Committee on Invalid Pensions. While he had always stood as a friend of the pensioners and had liberally supported measures looking toward their relief, yet Mr. Matson did not believe in simply opening up the coffers of the Treasury to every man who had done service in the late war. Because of his unwillingness to further extend the pension laws, he had incurred the enmity of Commissioner Dudley, who was now determined to retire Mr. Matson to private life.

<sup>82</sup> *N. Y. Herald*, Oct. 18, 1884.

<sup>83</sup> *Indianapolis Journal*, Oct. 16, 1884.

To accomplish this purpose, Mr. Dudley again made use of the influence of the Pension Bureau. A certain Mr. Grubbs, who was a personal friend of the Commissioner, had been nominated by the Republicans to oppose Mr. Matson. In order to win the election, he needed the support of the pension vote. Realizing this, he wrote the following letter to Commissioner Dudley:

"Martinsville, Ind.  
Aug. 13, 1884.

Col. W. W. Dudley,

The best thing that can be done for me in this district, where I need it most, is the appointment of a board of examiners at this point. Soldiers of all the adjacent counties are urging it. If it could be secured, presumably through any efforts of mine, it would greatly benefit me."<sup>44</sup>

In reply to this request, Colonel Dudley answered:

"Dear Sir—

Your favor of 13th at hand. I have directed that your inquiries in regard to pension cases should have prompt attention. As to the establishment of a board of surgeons at Martinsville, I will have the matter canvassed by my medical referee as soon as possible, and if practicable it shall be done."<sup>45</sup>

In commenting upon this request, Mr. Matson added that the medical board had been provided, and that slips could be found in the Pension Office, showing that Mr. Grubbs had asked men to be sent to Martinsville for examination.

There was another favor shown Mr. Grubbs, which so far as can be discovered, has no parallel in the history of the Pension Bureau. This resulted from an order given by Commissioner Dudley, in which he directed the chief of the Western Division of the Pension Office, Mr. Comstock, to give the same attention to the correspondence of Mr. Grubbs in all matters of pension claims, that was extended to any regularly elected member of Congress.<sup>46</sup> This meant that all claims filed by Mr. Grubbs, and all inquiries coming from him relating to pension, were taken up out of their regular order and given a preference over those filed by other attorneys. This was a privilege which, heretofore, had been accorded only to members of Congress. Pension claimants

<sup>44</sup> *Cong. Record*. 49th Cong. 1st sess. p. 1973.

<sup>45</sup> *Ibid.* p. 1973.

<sup>46</sup> *House Report*. 48th Cong. 2nd sess. No. 2683. p. 244.

who employed Mr. Grubbs as their attorney were now officially informed that the prompt attention which had been given their case was due to his request.<sup>87</sup> Mr. Grubbs was also permitted to use the congressional blanks in calling up pension claims, was allowed the official envelopes in which the replies to claimants were returned, and in every way, treated "just as if he had been a member of Congress."<sup>88</sup>

It would have been a very difficult task for any candidate to have prevented the re-election of Mr. Matson. As chairman of the House Committee on Invalid Pensions, he had a tremendous influence among soldiers and pensioners. While his record may not have been all that they desired, yet they knew that he would always support any legitimate claim, and favored a reasonable extension of the pension laws. Against such a candidate, Mr. Grubbs had little chance of success. Yet he made a most surprising race. He reduced the 3,500 majority which Mr. Matson had received in 1882, down to 1,369.<sup>89</sup> For this remarkable showing, the official influence extended him by the Pension Bureau was doubtless responsible.

Another illustration of the interest displayed by the Pension Office in the Indiana campaign of 1884 is furnished by the case of Mr. Holman, Democratic representative from the fourth district. There were few members of Congress who could boast of a more consistent record, in the matter of extending aid to pensioners, than Mr. Holman. He had always opposed the policy of graded ratings, and insisted on uniform pensions for privates and officers alike. He had always voted for bills providing for increased rates, and had often criticised the Government for not being more liberal in providing for the ex-soldiers.

But his seat in Congress was desired by a Republican and certain of the clerks in the Pension Bureau conspired to defeat him. The most effective way in which this could be done was to place Mr. Holman in an unfavorable position before his pension constituency. If it could be made to appear that he was not as active in securing pension grants as were other members of Congress, his supporters would

<sup>87</sup> Order of Commissioner Dudley. p. 244.

<sup>88</sup> *Ibid.* p. 24.

<sup>89</sup> *American Almanac.* 1885. p. 214.



probably desert him. So in order to weaken his influence, the clerks and pension examiners began to hold up certain claims in which Mr. Holman was interested. It developed during the course of the investigation by the House Committee, that on October 9, 1884, Mr. Comstock, chief of the Western Division, ordered a certain widow's case (No. 315,437) which Mr. Holman had called up, to be delayed. The reason for it was, that "Holman is a d---d Democrat," and if the case was allowed at that time it would insure him 15 votes. Two witnesses, Mr. T. A. Broadus, an examiner in the Western Division, and Mr. L. J. Harbough, of the same Division, testified that such an order had been given by their chief, Mr. Comstock.<sup>70</sup> The claim was withheld, and not allowed until after the election. Mr. Holman, however, was returned to Congress, but by a greatly reduced majority. In 1882 he had carried his district by almost 3,500 votes, but in the campaign of 1884, that majority was reduced to 1,709.<sup>71</sup>

To what extent these practices were engaged in by other officials of the Pension Bureau is not known. But this one case illustrates how completely the pension system was dominated by politics during Mr. Dudley's term of office. Not only was he guilty of prostituting the interests of that important Bureau to partisan purposes, but the same charge could doubtless be made against the majority of those employed in its service.

Such was the complaint made by General John C. Black, who served as Commissioner of Pensions during President Cleveland's first administration. Referring to the conditions which he found when he entered upon his duty as Commissioner, he stated, "At one time the Pension Bureau was all but avowedly a political machine, filled from border to border with the uncompromising adherents of a single organization, who had for the claimant other tests than those of law, and who required, in addition to service in the field, submission to and support of a party before pensions were granted. . . . People of one faith filled every one of the great agencies. Examiners, trained in unscrupulous schools, traversed the land as recruiting sergeants for a party.

<sup>70</sup> *House Report*. 48th Cong. 2nd sess. No. 2683. p. 21, 25.

<sup>71</sup> *Amer. Almanac*. 1885. p. 213.

"Chiefs of divisions, assistants, clerks, messenger boys, watchmen, and laborers were all but entirely from one school. Veteran service could not secure continuance in office, and at the behest and demand of partisans beyond the office old employes were cut adrift and zealous ruffians placed in their stead; leaves of absence were granted that the active men of the party might dominate over the elections. . . ."<sup>72</sup>

But in spite of all Mr. Dudley's efforts to carry the state of Indiana for Blaine and the Republican party, he failed. Mr. Cleveland was given a majority of 6,512 votes, and the Democrats succeeded in electing 9 of the 14 members of Congress.<sup>73</sup> The defeat of Mr. Blaine meant the retirement of Commissioner Dudley, and on November 10, 1884, he officially resigned. In reality, his resignation had occurred some three months earlier when he left his duties in Washington and entered the field as a campaign manager. Mr. O. P. G. Clarke, who had been Acting Commissioner of Pensions, was appointed to serve as Commissioner during the remainder of President Arthur's administration.

With the incoming of the Democratic administration in 1885, the pension system underwent a radical change. The divisions of the Bureau were reorganized. A more thorough system of examination was inaugurated. Attempts to extend the provisions of the pension laws failed. Both President Cleveland and his newly appointed Commissioner, General John C. Black, stood for a thorough reform of the entire administration of the pension system.

A summary of the pension laws enacted between 1861 and 1865 reveals a liberality on the part of our national Government unequalled by any other nation in the world. The pledges made at the outbreak of the Civil War were being fulfilled in the most complete manner. Within less than twenty years after the Union army had been mustered out, over 890,000 pension claims had been filed on account of those who had been killed or wounded while in its service. Of this number 521,029 claims had been allowed, at a total cost of more than \$700,000,000. On June 30, 1885, there were 324,968 Civil War pensioners borne upon the rolls. They received from

<sup>72</sup> *Annual Report, Commissioner of Pensions*. 1885. p. 111.

<sup>73</sup> *Amer. Almanac*, 1885. pp. 213-214.

the Government over \$62,000,000. But the maximum had not yet been reached. Thus far, pensions had been paid only on account of death or disability. The next extension of the laws was to provide aid for all those who had performed a certain amount of military service, whether disabled or not. The pension system here enters upon a new epoch, a treatment of which has been reserved for a later monograph.

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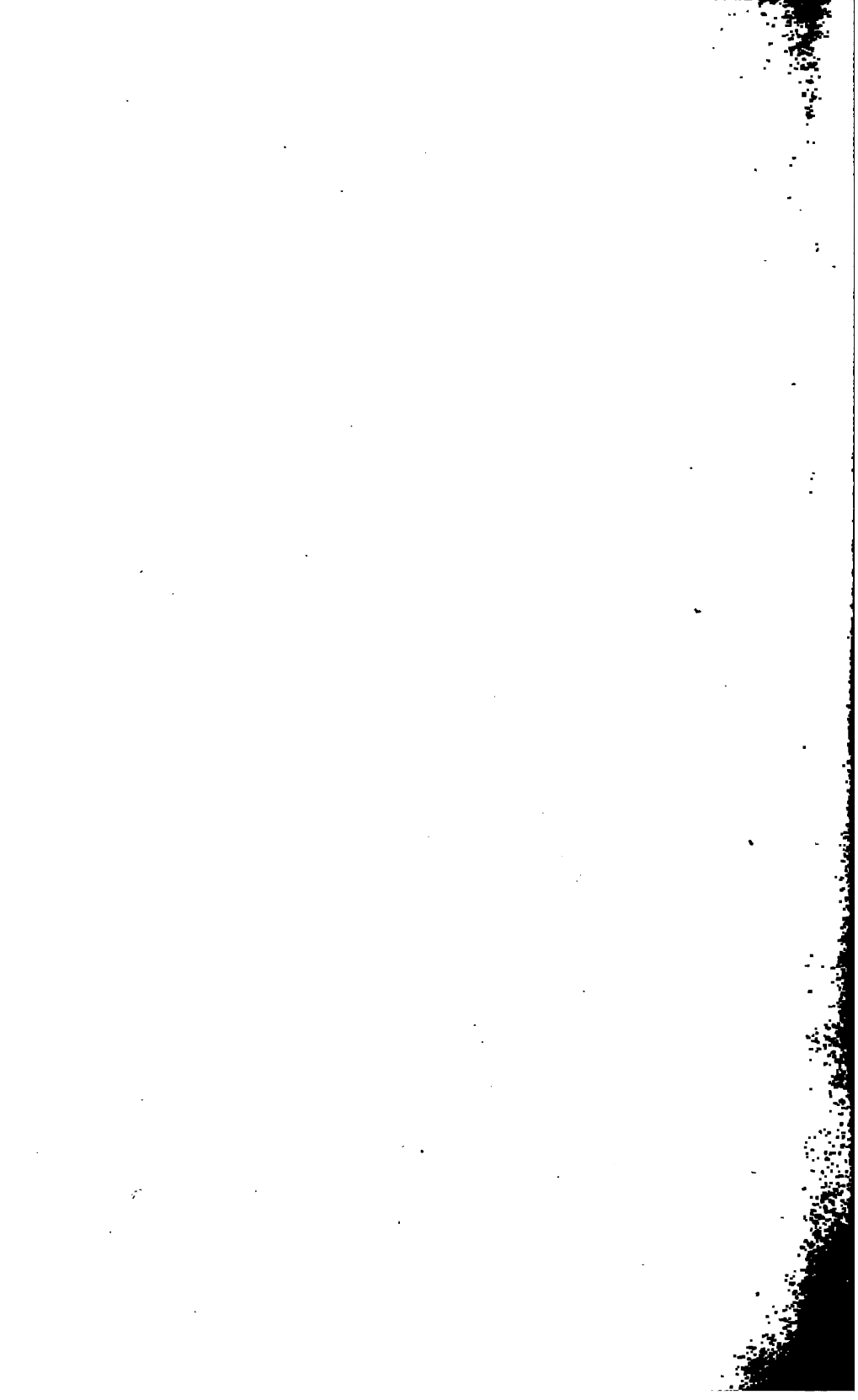
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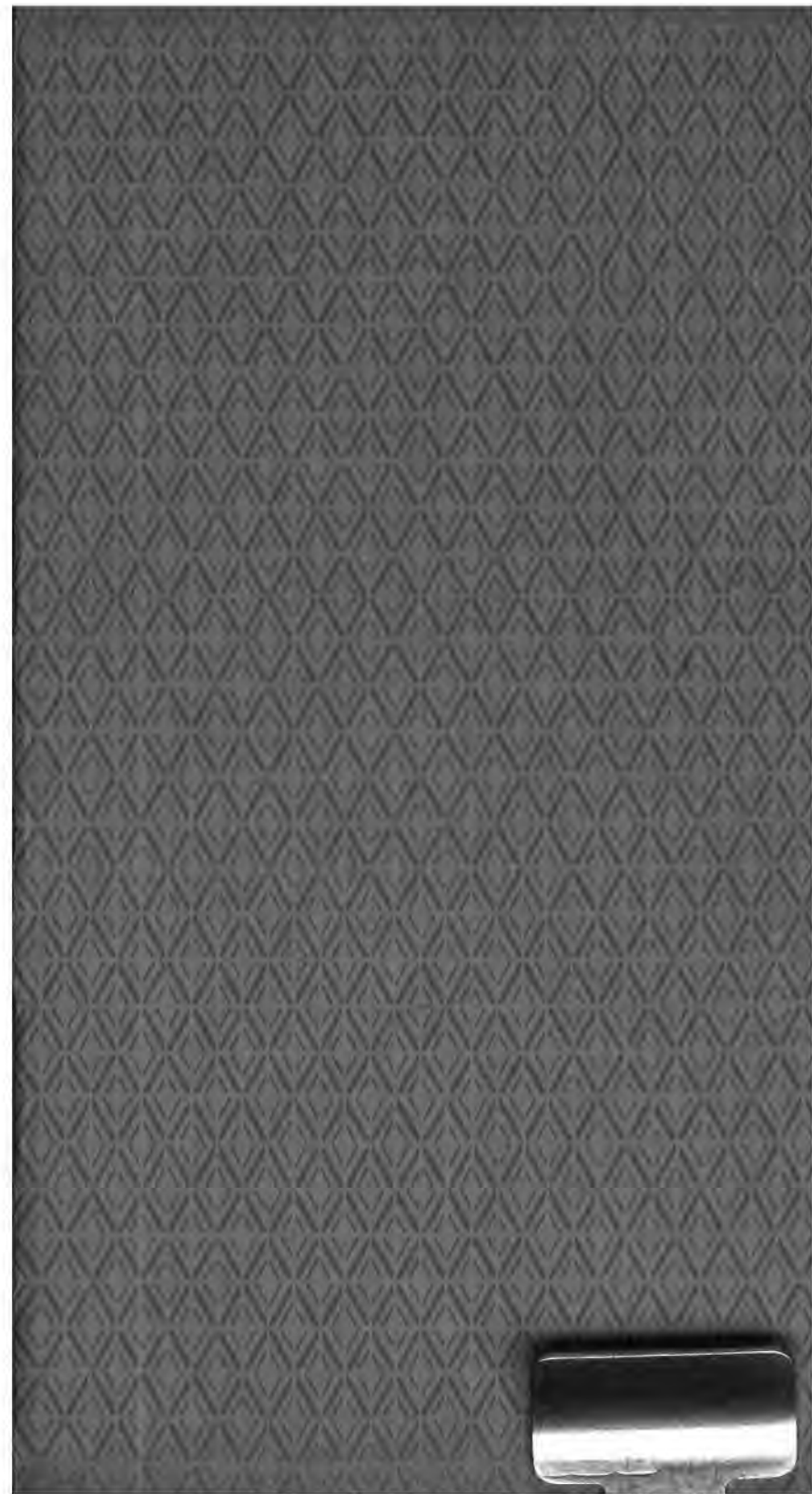




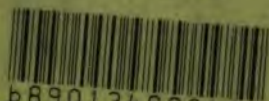
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